



P.O. Box 164
Wellington, Utah 84542
435/637-4075 435/637-4073 Fax

December 20, 2004

Rich McClure
Bureau of Land Management
Moab Field Office
82 East Dogwood
Moab, Utah 84532

RE: Application for Permit to Drill—Elk Production Company, LLC
Federal #14-6, 1,861' FNL, 461' FWL, SW/4 NW/4
Section 14, T20S, R21E, SLB&M, Grand County, Utah

Dear Rich:

On behalf of Elk Production Company, LLC (Elk Production), Buys & Associates, Inc. respectfully submits the enclosed original and two copies of the *Application for Permit to Drill (APD)* for the above referenced well. Included with the APD is the following supplemental information:

Exhibit "A" - Survey plats, layouts and photos of the proposed well site;

Exhibit "B" - Proposed location maps with access and utility corridors;

Exhibit "C" - Drilling Plan;

Exhibit "D" - Surface Use Plan;

Exhibit "E" - Typical BOP and Choke Manifold diagrams.

Please accept this letter as Elk Production's, written request for confidential treatment of all information contained in and pertaining to this application.

Thank you very much for your timely consideration of this application. Please feel free to contact myself or Tom Young of Elk Production at 303-296-4505 if you have any questions or need additional information.

Sincerely,

Don Hamilton

Don Hamilton
Agent for Elk Production Company, LLC

cc: Diana Whitney, Division of Oil, Gas and Mining
Tom Young, Elk Production Company, LLC

RECEIVED

DEC 23 2004

DIV. OF OIL, GAS & MINING

FILE COPY

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

001

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

| | | | |
|--|--|---|--|
| 1a. TYPE OF WORK DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/> | | 5. LEASE DESIGNATION AND SERIAL NO. UTU-02140-A | |
| b. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/> | | 6. IF INDIAN, ALLOTTEE OR TRIBE NAME N/A | |
| 2. NAME OF OPERATOR Elk Production Company, LLC | | 7. UNIT AGREEMENT NAME Greater Cisco Dome Unit | |
| 3. ADDRESS AND TELEPHONE NO. 1401-17th Street, Suite 700, Denver, Colorado 80202 303-296-4505 | | 8. FARM OR LEASE NAME, WELL NO. Federal #14-6 | |
| 4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.) At surface 623572 X 1,861' FNL, 461' FWL SW/4 NW/4 39.068684 At proposed prod. zone 4325161 Y -109.571626 | | 9. API WELL NO. 43-019-31421 | |
| 14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* 15.27 miles northwest of Cisco, Utah | | 10. FIELD AND POOL, OR WILDCAT Cisco Dome 205 | |
| 15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drig. unit line, if any) 777' | | 11. SEC. T. R. M. OR BLK. Section 14, T20S. R21E. SLB&M | |
| 16. NO. OF ACRES IN LEASE | | 12. COUNTY OR PARISH Grand | |
| 17. NO. OF ACRES ASSIGNED TO THIS WELL 160 acres | | 13. STATE Utah | |
| 18. DISTANCE FROM PROPOSED LOCATION TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. +/- 1,200' | | 19. PROPOSED DEPTH 3,100' | |
| 20. ROTARY OR CABLE TOOLS Rotary | | 21. ELEVATIONS (Show whether DF, RT, GR, etc.) 5,270' GR | |
| 22. APPROX. DATE WORK WILL START* As soon as approved | | | |

| 23. PROPOSED CASING AND CEMENTING PROGRAM | | | | |
|---|-----------------------|-----------------|---------------|--|
| SIZE OF HOLE | GRADE, SIZE OF CASING | WEIGHT PER FOOT | SETTING DEPTH | QUANTITY OF CEMENT |
| 9-1/2" | 7" H-40 ST&C | 17# | 250' | 100 sx Halliburton Type 5 with additives—see attached Drilling Plan |
| 6-1/2" | 4-1/2" K-55 LT&C | 10.5# | 3,100' | 160 sx 50/50 Class "G" Poz with additives—see attached Drilling Plan |

Bond Information:

Bond coverage is provided by US Specialty Insurance Company, Bond #B 000971

Other Information:

Drilling Plan and Surface Use Plan are attached.
Elk Production Company, LLC requests that this complete application for permit to drill be held confidential.

Federal Approval of this
Action is Necessary

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DEC 23 2004

DIV. OF OIL, GAS & MINING

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24.

SIGNED Don Hamilton Don Hamilton TITLE Agent for Elk Production Company, LLC DATE December 20, 2004

(This space for Federal or State office use)

PERMIT NO.

43-019-31421

APPROVAL DATE

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon. CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY

Bradley G. Hill

TITLE

BRADLEY G. HILL
ENVIRONMENTAL SCIENTIST III

DATE

12-28-04

*See Instructions On Reverse Side

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency or the

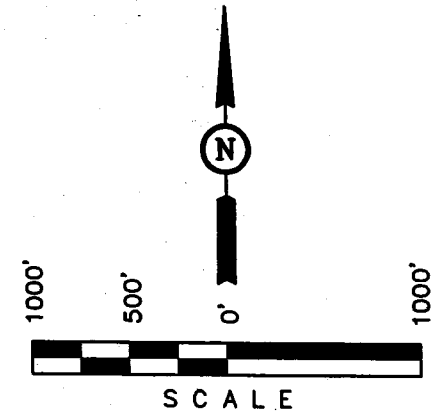
T20S, R21E, S.L.B.&M.

ELK PRODUCTION, LLC

Well location, FEDERAL #14-6, located as shown in the SW 1/4 NW 1/4 of Section 14, T20S, R21E, S.L.B.&M. Grand County, Utah.

BASIS OF ELEVATION

SPOT ELEVATION LOCATED AT THE SOUTHEAST CORNER OF SECTION 24, T20S, R21E, S.L.B.&M. TAKEN FROM THE CALF CANYON, QUADRANGLE, UTAH, GRAND COUNTY, 7.5 MINUTE QUAD. (TOPOGRAPHIC MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 5084 FEET.



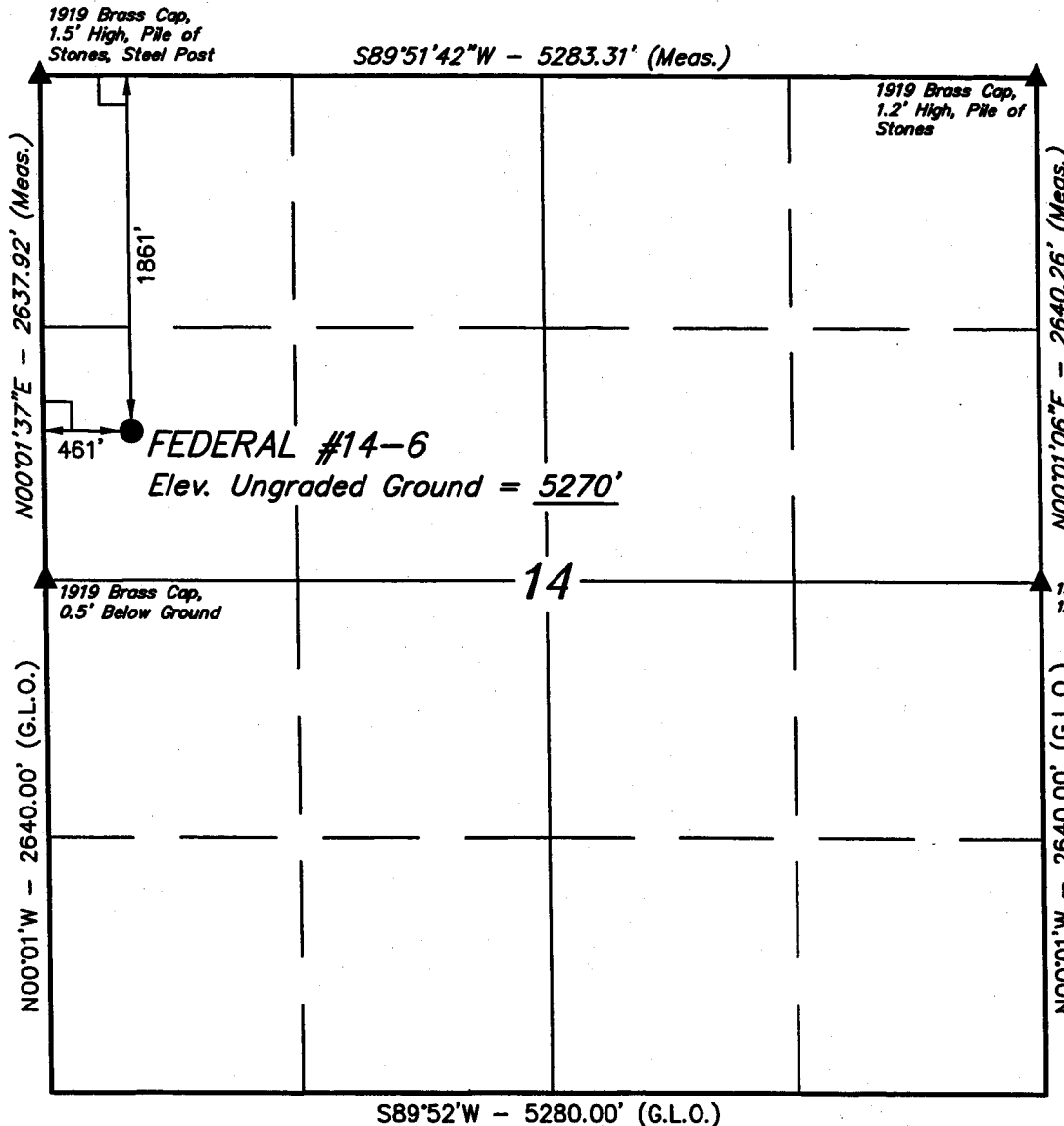
CERTIFICATE

THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

[Signature]
REGISTERED LAND SURVEYOR
REGISTRATION NO. 18349
STATE OF UTAH

UINTAH ENGINEERING & LAND SURVEYING
85 SOUTH 200 EAST - VERNAL, UTAH 84078
(435) 789-1017

| | | |
|-------------------------|-----------------------------|------------------------|
| SCALE 1" = 1000' | DATE SURVEYED: 11-16-04 | DATE DRAWN: 12-9-04 |
| PARTY M.A. W.D. K.G. | REFERENCES G.L.O. PLAT | |
| WEATHER COLD | FILE ELK PRODUCTION, LLC | |



BASIS OF BEARINGS

BASIS OF BEARINGS IS A G.P.S. OBSERVATION.

(AUTONOMOUS NAD 83)
LATITUDE = 39°04'07.00" (39.068611)
LONGITUDE = 109°34'19.90" (109.572194)
(AUTONOMOUS NAD 27)
LATITUDE = 39°04'07.10" (39.068639)
LONGITUDE = 109°34'17.45" (109.571514)

LEGEND:

- └─┘ = 90° SYMBOL
- = PROPOSED WELL HEAD.
- ▲ = SECTION CORNERS LOCATED.

DRILLING PLAN

Elk Production Company LLC
Federal #14-6
SW/NW of Section 14, T-20-S, R-21-E
Grand County, UT

1,2,3 **Estimated Tops of Geological Markers and Formations Expected to Contain Water, Oil and Gas and Other Minerals**

| <u>Formation</u> | <u>Depth</u> |
|-------------------------|---------------------|
| Mancos Shale | Surface |
| Niobrara Marker | 1630' |
| Tunurk Shale | 2210' |
| Dakota | 2240'* |
| Cedar Mountain | 2315'* |
| Morrison-Brushy Basin | 2390'* |
| Morrison Salt Wash | 2575'* |
| Summerville | 2870' |
| Entrada | 2940'** |

PROSPECTIVE PAY* oil and gas

** POSSIBLE OIL OR WATER

4 **Casing Program**

| <u>HOLE</u> | <u>SETTING DEPTH</u> | | <u>SIZE</u> | <u>WEIGHT</u> | <u>GRADE</u> | <u>THREAD</u> | <u>COND.</u> |
|--------------------|-----------------------------|------------------|--------------------|----------------------|---------------------|----------------------|---------------------|
| <u>SIZE</u> | <u>from</u> | <u>to</u> | | | | | |
| 9-1/2 | surface | 250' | 7" | 17# | H40 | ST&C | Recond. |
| 6-1/4 | surface | 3,100' | 4-1/2" | 10.5# | K55 | LT&C | New |

5 **Cementing Program**

7" Surface Casing approximately 100 sx Halliburton Type 5 with additives mixed at 14.8 ppg (yield – 1.37 ft³/sx) circulated to surface with 100% excess

4-1/2" Prod. Csg. approximately 160 sx 50/50 Class "G" Poz cement with additives mixed at 14.2 ppg (yield – 1.33 ft³/sx), estimated TOC 1500'.

6 **Mud Program**

| <u>INTERVAL</u> | <u>WEIGHT</u> | <u>VISCOSITY</u> | <u>FLUID LOSS</u> | <u>REMARKS</u> |
|------------------------|----------------------|-------------------------|--------------------------|-----------------------|
| Surf. - 250' | NA/Air drilled | | | |
| 250' – 3100' | NA/Air drilled | | | |

Sufficient KC1 brine water to contain "kick" will be available at wellsite.

7 **BOP and Pressure Containment Data**

Depth Intervals

Surf. – 250'
250' – TD

BOP Equipment

No pressure control required
10" 2000# Ram Type double BOP
8" 2000# Rotating Head

Drilling spool to accommodate choke and kill lines.
Anticipated bottom hole pressure to be less than 1000 PSI

ANCILLARY EQUIPMENT AND CHOKE MANIFOLD RATED AT 2000#
ALL BOP AND BOPE TESTS WILL BE IN ACCORDANCE WITH THE REQUIREMENTS
OF ONSHORE ORDER NO. 2

THE BLM AND THE STATE OF UTAH DIVISION OF OIL, GAS AND MINING
WILL BE NOTIFIED 24 HOURS IN ADVANCE OF ALL BOP PRESSURE TESTS.

8 Auxiliary equipment

- a) Lower Kelly cock will be installed while drilling
- b) Floor stabbing valve 5000#
- c) Safety valve(s) and subs to fit all string connections in use

9 Testing, Logging and Core Programs

| | |
|----------|---|
| Cores | None anticipated |
| Testing | None anticipated |
| Sampling | 30' samples; surface casing to TD |
| Surveys | Run every 1000' and on trips |
| Logging | Resistivity, neutron density, temperature, gamma ray, and caliper from TD to surface casing |

10 Anticipated Abnormal Pressures or Temperatures

No abnormal pressures or temperatures or other hazards are anticipated

11 Drilling Schedule

| | |
|----------|--|
| Spud | As soon as permits can be obtained |
| Duration | 4 - 5 days drilling time 4 days completion time |

HAZARDOUS MATERIAL DECLARATION

Federal #14-6

Elk Production Company, LLC guarantees that during the drilling and completion of the above referenced well, we will not use, produce, or store, transport or dispose 10,000# annually of any of the hazardous chemicals contained in the Environmental Protection Agency's consolidated list of chemicals subject to reporting under Title III Super Amendments and Reauthorization Act (SARA) of 1986.

Elk Production Company, LLC guarantees that during the drilling and completion of the above referenced well, we will use, produce, store, transport, or dispose less than the threshold planning quantity (TPQ) of any extremely hazardous substances as defined in 40 CFR 355.

SURFACE USE PLAN

Elk Production Company LLC
Federal #14-6
SW/NW of Section 14, T-20-S, R-21-E
Grand County, UT

The dirt contractor will be provided with an approved copy of the surface use plan of operations before initiating construction.

The onsite inspection for the referenced well was conducted on Wednesday, October 13, 2004.

1. **Existing Roads:**

- a. The proposed well site is located approximately 15.27 miles northwest of Cisco, Utah.
- b. Directions to the proposed well site have been attached at the end of Exhibit B.
- c. The use of roads under State and County Road Department maintenance are necessary to access the Greater Cisco Dome Unit. However, an encroachment permit is not anticipated since no upgrades to the State or County Road system are proposed at this time.
- d. All existing roads will be maintained and kept in good repair during all phases of operation.
- e. Vehicle operators will obey posted speed restrictions and observe safe speeds commensurate with road and weather conditions.
- f. Since no improvements are anticipated to the State, County or BLM access roads no topsoil striping will occur.
- g. An off-lease federal Right-of-Way is not anticipated for the access road or utility corridor since both are located on-lease and within in the Greater Cisco Dome Unit boundary.

2. **Planned Access Roads:**

- a. From the existing road that presently services many existing well sites north of the Federal #14-6 an access is proposed trending southwest approximately 50' to the proposed well site. The access consists of entirely new construction. A road design plan is not anticipated at this time.
- b. The proposed access road will consist of a 14' travel surface within a 30' disturbed area.
- c. BLM approval to construct and utilize the proposed access road is requested with this application.
- d. A maximum grade of 10% will be maintained throughout the project with no cuts and fills required to access the well.
- e. No turnouts are proposed since the access road is only 50' long and adequate site distance exists in all directions.
- f. One 18" culvert may be installed where the new road enters the existing travel surface. No low-water crossings are anticipated at this time. Adequate drainage structures will be incorporated into the remainder of the road.

- g. No surfacing material will come from federal or Indian lands.
- h. No gates or cattle guards are anticipated at this time.
- i. Surface disturbance and vehicular travel will be limited to the approved location access road.
- j. All access roads and surface disturbing activities will conform to the standards outlined in the Bureau of Land Management and Forest Service publication: Surface Operating Standards for Oil and Gas Exploration and Development. (1989).
- k. The operator will be responsible for all maintenance of the access road including drainage structures.

3. Location of Existing Wells:

- a. Topo C of Exhibit B has a map reflecting existing wells within a one mile radius of the proposed well.

4. Location of Production Facilities:

- a. All permanent structures will be painted a flat, non-reflective Olive Black to match the standard environmental colors. All facilities will be painted within six months of installation. Facilities required to comply with the Occupational Safety and Health Act (OSHA) may be excluded.
- b. Site security guidelines identified in 43 CFR 3163.7-5 and Onshore Oil and Gas Order No. 3 will be adhered to.
- c. A gas meter run will be constructed and located on lease within 500 feet of the wellhead. Meter runs will be housed and/or fenced. All gas production and measurement shall comply with the provisions of 43 CFR 3162.7-3, Onshore Oil and Gas Order No. 5, and American Gas Association (AGA) Report No. 3.
- d. A tank battery will be constructed on this lease, it will be surrounded by a dike of sufficient capacity to contain the storage capacity of the largest tank. All loading lines and valves will be placed inside the berm surrounding the tank battery. All liquid hydrocarbons production and measurement shall conform to the provisions of 43 CFR 3162.7-3 and Onshore Oil and Gas Order No. 4 and Onshore Oil and Gas Order No. 5 for natural gas production and measurement.
- e. Any necessary pits will be properly fenced to prevent any wildlife and livestock entry.
- f. All access roads will be maintained as necessary to prevent erosion and accommodate year-round traffic. The road will be maintained in a safe useable condition.
- g. The site will require periodic maintenance to ensure that drainages are kept open and free of debris, ice, and snow, and that surfaces are properly treated to reduce erosion, fugitive dust, and impacts to adjacent areas.
- h. A gas pipeline is associated with this application and is being applied for at this time. The proposed gas pipeline corridor will leave the northeast side of the well site and traverse 25'

northeast to the existing pipeline corridor that services the wells north of the Federal #14-6.

- i. The gas pipeline will be a 4" or less steel surface line within a 20' wide utility corridor. The use of the proposed well site and access roads will facilitate the staging of the pipeline construction. A new pipeline length of approximately 25' is associated with this well.
- j. Elk Production Company, LLC intends on installing the pipeline on the surface by welding many joints into long lengths, dragging the long lengths into position and then completing a final welding pass to join the long lengths together. Elk Production Company, LLC intends on connecting the pipeline together utilizing conventional welding technology.

5. Location and Type of Water Supply:

- a. Since this well will be air drilled the use of water for drilling is not anticipated.
- b. Water for drilling and completion operations, if necessary, will be trucked over approved access roads from Thompson, Utah. The water will be obtained through a direction purchase agreement with a private owner.

6. Source of Construction Material:

- a. The use of materials will conform to 43 CFR 3610.2-3.
- b. No construction materials will be removed from BLM lands.
- c. If any gravel is used, it will be obtained from a state approved gravel pit.

7. Methods of Handling Waste Disposal:

- a. All wastes associated with this application will be contained and disposed of utilizing approved facilities.
- b. Drill cuttings will be contained and buried on site.
- c. The reserve pit will be located inboard of the location and along the southwest side of the pad.
- d. The reserve pit will be constructed so as not to leak, break, or allow any discharge.
- e. The reserve pit will be constructed of native material and will not be lined. Pit walls will be sloped no greater than 2:1. A minimum 2-foot freeboard will be maintained in the pit at all times during the drilling and completion operation.
- f. The reserve pit has been located in cut material. Three sides of the reserve pit will be fenced before drilling starts. The fourth side will be fenced as soon as drilling is completed, and shall remain until the pit is dry. After the reserve pit has dried, all areas not needed for production will be rehabilitated.
- g. No chemicals subject to reporting under SARA Title III (hazardous materials) in an amount greater than 10,000 pounds will be used, produced, stored, transported, or disposed of annually in association with the drilling, testing, or completion of the well. Furthermore, no

extremely hazardous substances, as defined in 40 CFR 355, in threshold planning quantities, will be used, produced, stored, transported, or disposed of in association with the drilling, testing, or completion of the well.

- h. Trash will be contained in a trash cage and hauled away to an approved disposal site as necessary but no later than at the completion of drilling operations. The contents of the trash container will be hauled off periodically to the approved Emery County Landfill near Green River, Utah.
- i. Produced fluids from the well other than water will be produced into a test tank until such time as construction of production facilities is completed. Any spills of oil, gas, salt water or other produced fluids will be cleaned up and removed.
- j. After initial clean-up, a 400 bbl tank will be installed. This contents will be transported by truck from the tank to an approved disposal facility for disposal.
- k. Any salts and/or chemicals, which are an integral part of the drilling system, will be disposed of in the same manner as the drilling fluid.
- l. Sanitary facilities will be on site at all times during operations. Sewage will be placed in a portable chemical toilet and the toilet replaced periodically utilizing a licensed contractor to transport by truck the portable chemical toilet so that its contents can be delivered to the Green River Wastewater Treatment Facility in accordance with state and county regulations.

8. Ancillary Facilities:

- a. Garbage Containers and Portable Toilets are the only ancillary facilities proposed in this application.

9. Well Site Layout: (See Exhibit B)

- a. The well will be properly identified in accordance with 43 CFR 3162.6.
- b. Access to the well pad will be from the northeast.
- c. The pad and road designs are consistent with BLM specification
- d. A pre-construction meeting with responsible company representative, contractors, and the BLM will be conducted at the project site prior to commencement of surface-disturbing activities. The pad and road will be construction-staked prior to this meeting.
- e. The pad has been staked at its maximum size of 150' X 200'; however it will be constructed smaller if possible, depending upon rig availability. Should the layout change, this application will be amended and approved utilizing a sundry notice.
- f. All surface disturbing activities, will be supervised by a qualified, responsible company representative who is aware of the terms and conditions of the APD and specifications in the approved plans.
- g. All cut and fill slopes will be such that stability can be maintained for the life of the activity.

- h. Diversion ditches will be constructed as shown around the well site to prevent surface waters from entering the well site area.
- i. The site surface will be graded to drain away from the pit to avoid pit spillage during large storm events.
- j. The stockpiled topsoil (first 6 inches or maximum available) will be stored in a windrow on the uphill side of the location to prevent any possible contamination. All topsoil will be stockpiled for reclamation in such a way as to prevent soil loss and contamination.
- k. Pits will remain fenced until site cleanup.
- l. The blooie line will be located at least 100 feet from the well head.
- m. Water injection may be implemented if necessary to minimize the amount of fugitive dust.

10. Plans for Restoration of the Surface:

- a. Site reclamation for a producing well will be accomplished for portions of the site not required for the continued operation of the well.
- b. The Operator will control noxious weeds along access road use authorizations, pipeline route authorizations, well sites, or other applicable facilities by spraying or mechanical removal. A list of noxious weeds may be obtained from the BLM or the appropriate County Extension Office. On BLM administered land, it is required that a Pesticide Use Proposal be submitted and approved prior to the application of herbicides, pesticides or possibly hazardous chemicals.
- c. Upon well completion, any hydrocarbons in the pit shall be removed in accordance with 43 CFR 3162.7-1. Once the reserve pit is dry, the plastic nylon reinforced liner shall be torn and perforated before backfilling of the reserve pit. The reserve pit and that portion of the location not needed for production facilities/operations will be recontoured to the approximate natural contours.
- d. The cut and fill slopes and all other disturbed areas not needed for the production operation will be top soiled and re-vegetated. The stockpiled topsoil will be evenly distributed over the disturbed area.
- e. Prior to reseeding the site, all disturbed areas, including the access road, will be scarified and left with a rough surface. The site will then be seeded and/or planted as prescribed by the BLM. The BLM recommended seed mix will be detailed within their approval documents.

11. Surface and Mineral Ownership:

- a. Surface Ownership – Federal under the management of the Bureau of Land Management - Moab Field Office, 82 East Dogwood, Moab, Utah 84532; 435-259-2127.
- b. Surface Ownership – Federal under the management of the Bureau of Land Management - Moab Field Office, 82 East Dogwood, Moab, Utah 84532; 435-259-2127.

12. Other Information:

- a. Senco-Phenix Archaeological Consultants has conducted a Class III archeological survey. A copy of the report will be submitted under separate cover to the appropriate agencies by Senco-Phenix Archaeological Consultants.

b. Our understanding of the results of the onsite inspection are:

- a. No Threatened and Endangered flora and fauna species were found during the onsite inspection.
- b. No raptor habitat is known to exist within 1 mile of the proposed wellsite.
- c. No additional surface use agreements are necessary for the construction of this wellsite.
- d. No drainage crossings that require additional State or Federal approval are being crossed.

13. Operator's Representative and Certification

| <u>Title</u> | <u>Name</u> | <u>Office Phone</u> |
|---------------------------------------|--------------|---------------------|
| Company Representative | Tom Young | 1-303-339-1920 |
| Agent for Elk Production Company, LLC | Don Hamilton | 1-435-637-4075 |

Certification:

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route; that I am familiar with the conditions which currently exist; that the statements made in this APD package are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed by Elk Production Company, LLC and its contractors and subcontractors in conformity with this APD package and the terms and conditions under which it is approved. I also certify responsibility for the operations conducted on that portion of the leased lands associated with this application, with bond coverage being provided under Elk Production's BLM bond. This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.

Signature: Don Hamilton Date: 12-20-04

ELK PRODUCTION, LLC
FEDERAL #14-6
SECTION 14, T20S, R21E, S.L.B.&M.

PROCEED IN AN EASTERLY DIRECTION FROM GREEN RIVER, UTAH ALONG INTERSTATE-70 APPROXIMATELY 43.2 MILES TO THE WHITE HOUSE EXIT; EXIT AND PROCEED IN AN EASTERLY DIRECTION APPROXIMATELY 1.5 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE NORTHWEST; TURN LEFT AND PROCEED IN A NORTHWESTERLY DIRECTION APPROXIMATELY 13.4 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE NORTH; TURN RIGHT AND PROCEED IN A NORTHERLY, THEN NORTHWESTERLY DIRECTION APPROXIMATELY 1.2 MILES TO THE BEGINNING OF THE PROPOSED ACCESS TO THE SOUTHWEST; FOLLOW ROAD FLAGS IN A SOUTHWESTERLY DIRECTION APPROXIMATELY 100' TO THE PROPOSED LOCATION.

TOTAL DISTANCE FROM GREEN RIVER, UTAH TO THE PROPOSED WELL LOCATION IS APPROXIMATELY 59.3 MILES.

ELK PRODUCTION, LLC

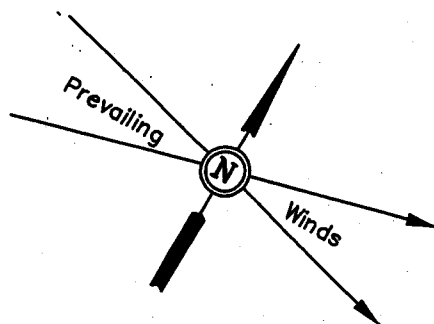
TYPICAL CROSS SECTIONS FOR

FEDERAL #14-6

SECTION 14, T20S, R21E, S.L.B.&M.

1861' FNL 461' FWL

FIGURE #1



SCALE: 1" = 40'

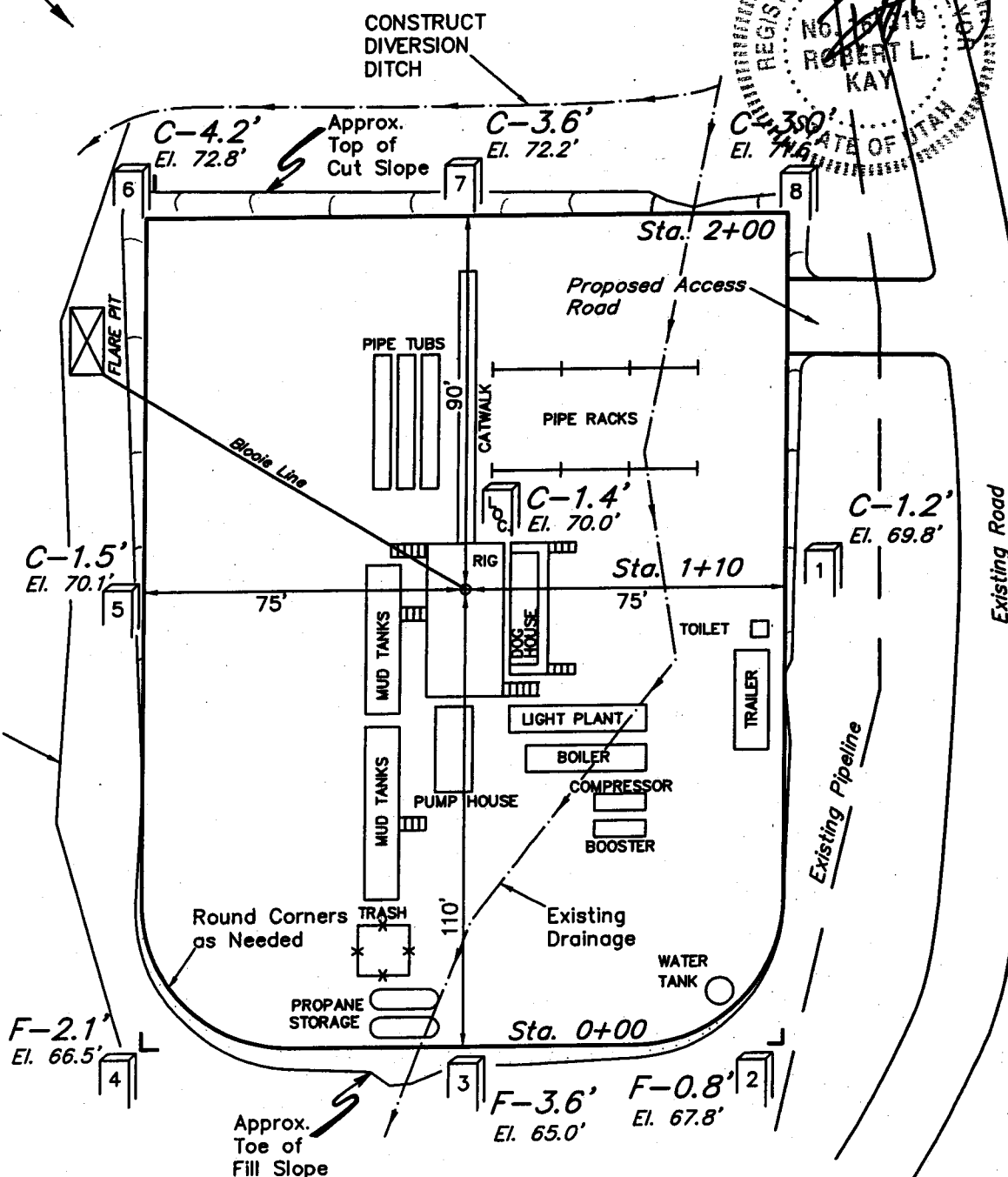
DATE: 12-9-04

Drawn By: K.G.

NOTE:

Flare Pit is to be located a min. of 100' from the Well Head.

Edge of Large Drainage



NOTES:

Elev. Ungraded Ground At Loc. Stake = 5270.0

FINISHED GRADE ELEV. AT LOC. STAKE = 5268.6'

UINTAH ENGINEERING & LAND SURVEYING

85 So. 200 East * Vernal, Utah 84078 * (435) 789-1017

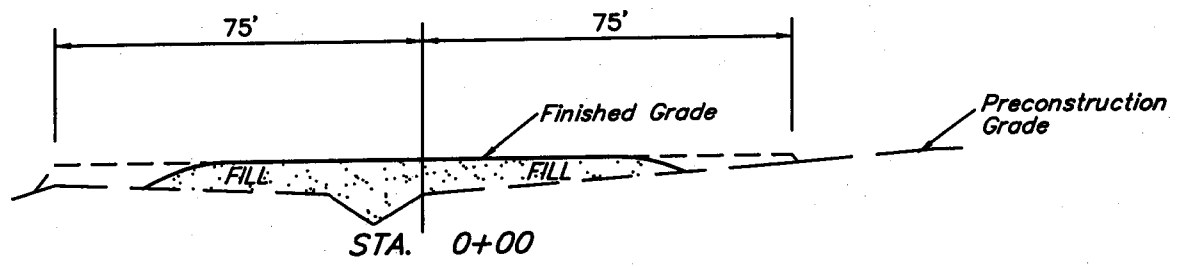
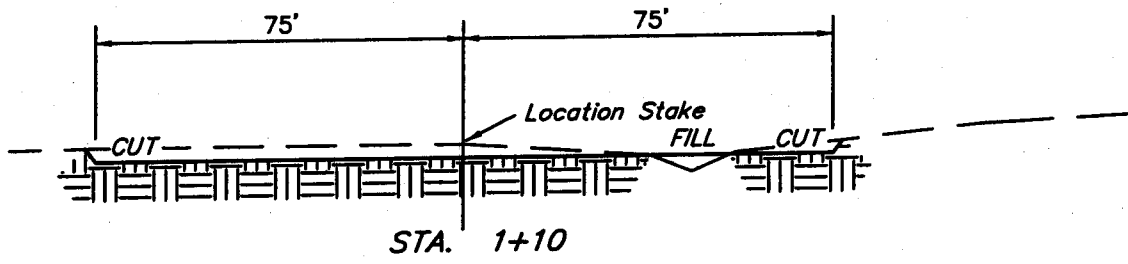
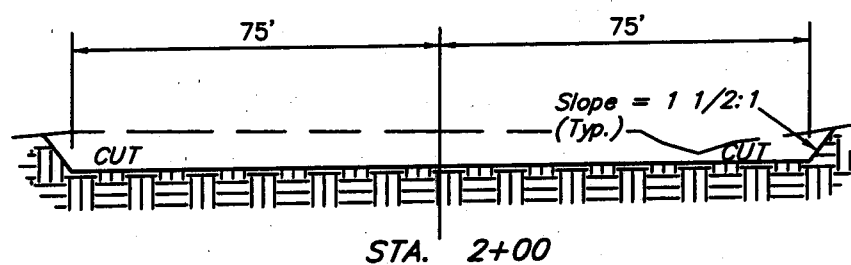
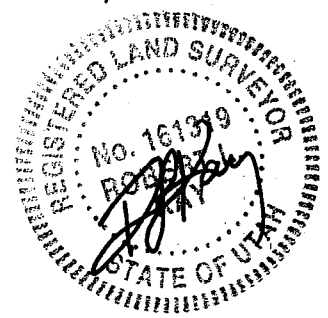
ELK PRODUCTION, LLC

TYPICAL CROSS SECTIONS FOR

FEDERAL #14-6
SECTION 14, T20S, R21E, S.L.B.&M.
1861' FNL 461' FWL

FIGURE #2

1" = 10'
X-Section
Scale
1" = 50'
DATE: 12-9-04
Drawn By: K.G.



NOTE:
Topsoil should not be
Stripped Below Finished
Grade on Substructure Area.

* NOTE:
FILL QUANTITY INCLUDES
5% FOR COMPACTION

APPROXIMATE YARDAGES

| | | |
|------------------------|----------|----------------------|
| CUT | | |
| (6") Topsoil Stripping | = | 590 Cu. Yds. |
| Remaining Location | = | 930 Cu. Yds. |
| TOTAL CUT | = | 1,520 CU.YDS. |
| FILL | = | 930 CU.YDS. |

| | | |
|--|---|--------------|
| EXCESS MATERIAL | = | 590 Cu. Yds. |
| Topsoil | = | 590 Cu. Yds. |
| EXCESS UNBALANCE (After Rehabilitation) | = | 0 Cu. Yds. |

UINTAH ENGINEERING & LAND SURVEYING
85 So. 200 East * Vernal, Utah 84078 * (435) 789-1017

ELK PRODUCTION, LLC

FEDERAL #14-6

LOCATED IN GRAND COUNTY, UTAH

SECTION 14, T20S, R21E, S.L.B.&M.

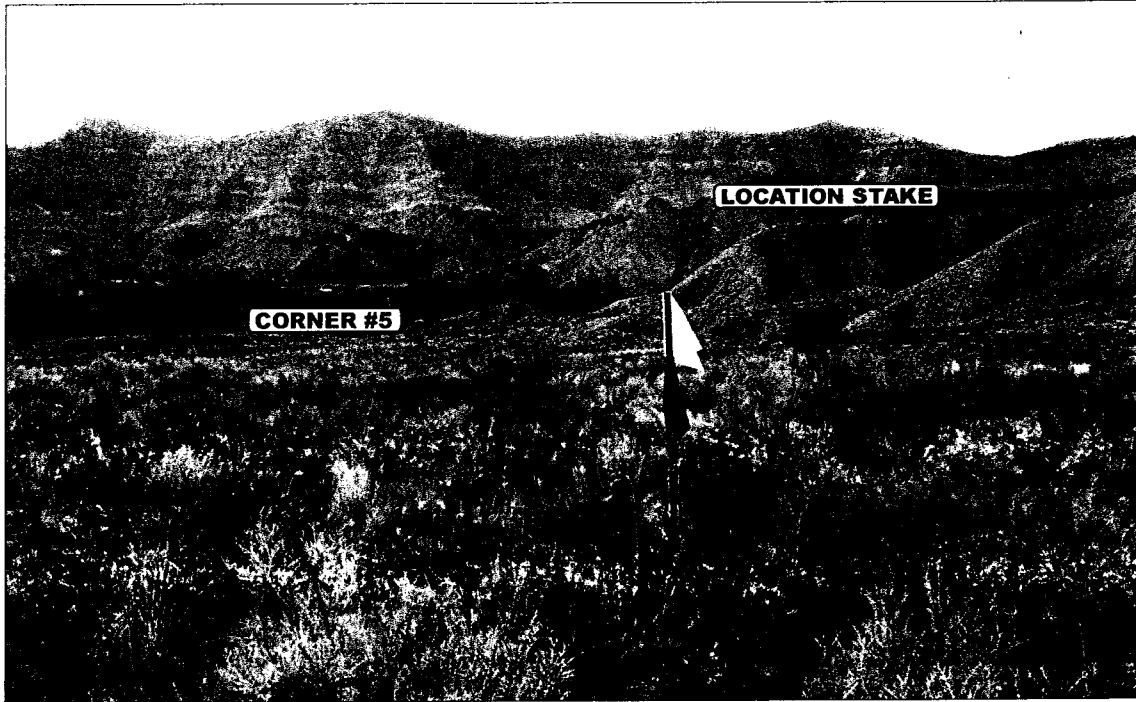


PHOTO: VIEW FROM LOCATION STAKE TO CORNER #5

CAMERA ANGLE: SOUTHWESTERLY

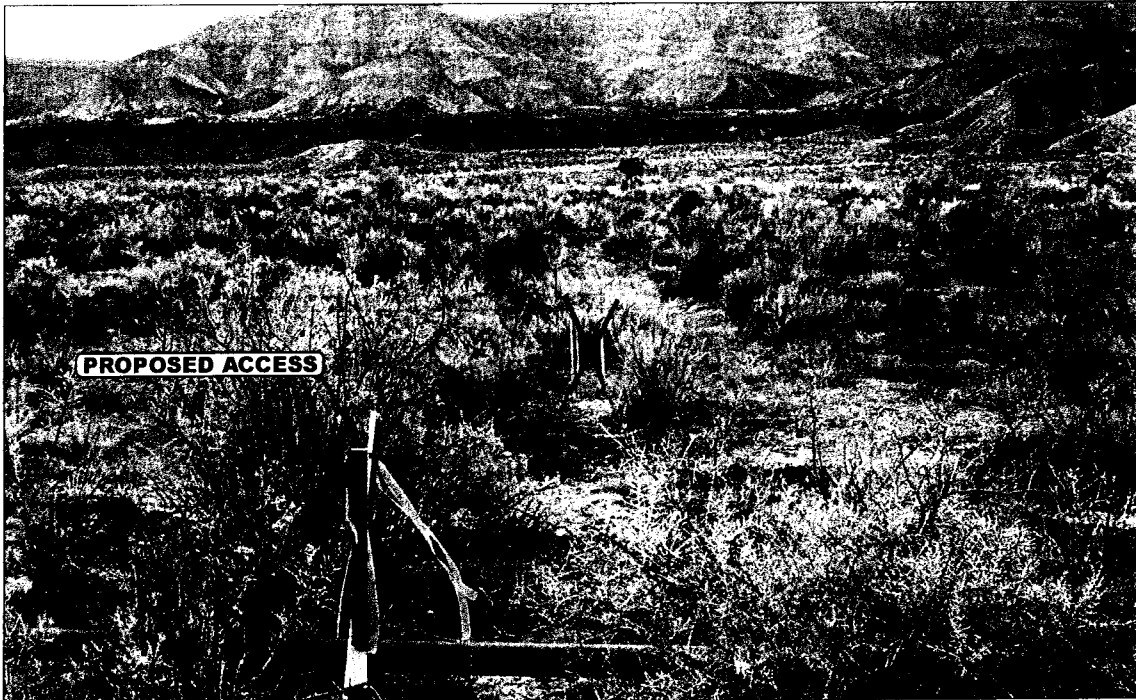


PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS

CAMERA ANGLE: SOUTHWESTERLY



- Since 1964 -

ELS

Uintah Engineering & Land Surveying

85 South 200 East Vernal, Utah 84078
435-789-1017 uels@uelsinc.com

LOCATION PHOTOS

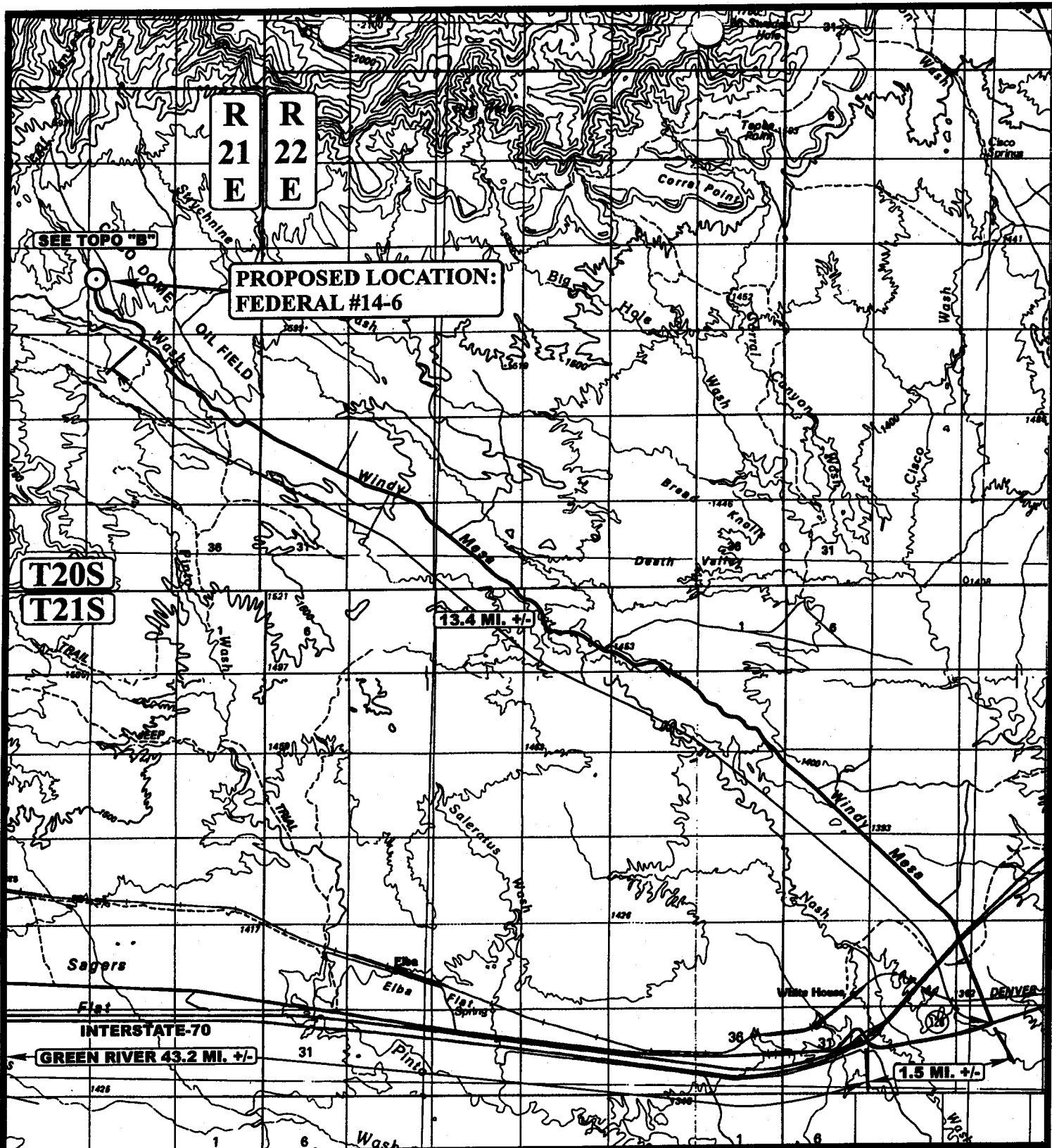
11 20 04
MONTH DAY YEAR

PHOTO

TAKEN BY: M.A.

DRAWN BY: P.M.

REVISED: 00-00-00



LEGEND:

⊙ PROPOSED LOCATION



ELK PRODUCTION, LLC

**FEDERAL #14-6
SECTION 14, T20S, R21E, S.L.B.&M.
1861' FNL 461' FWL**



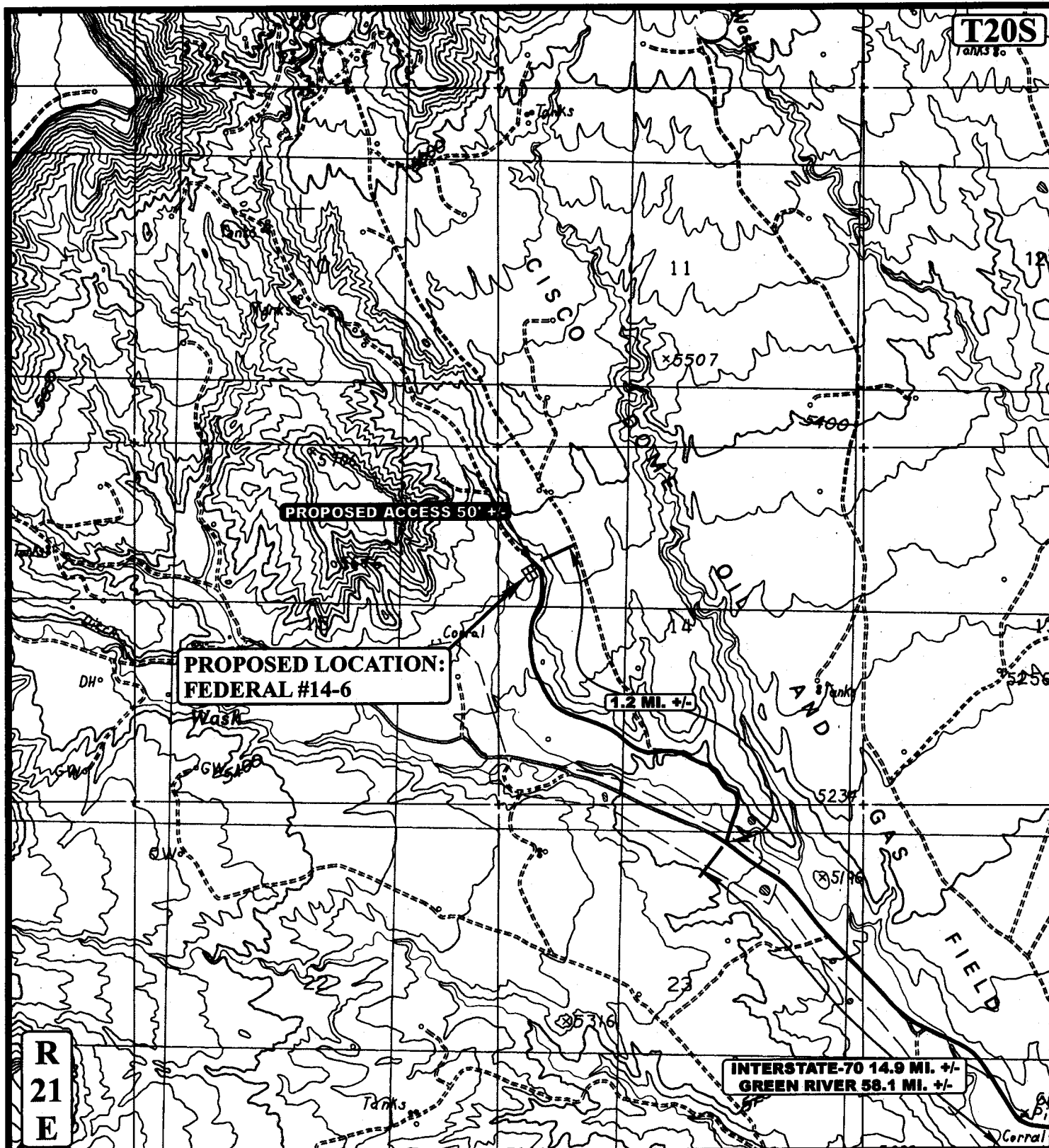
Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(435) 789-1017 * FAX (435) 789-1813

**TOPOGRAPHIC
MAP**

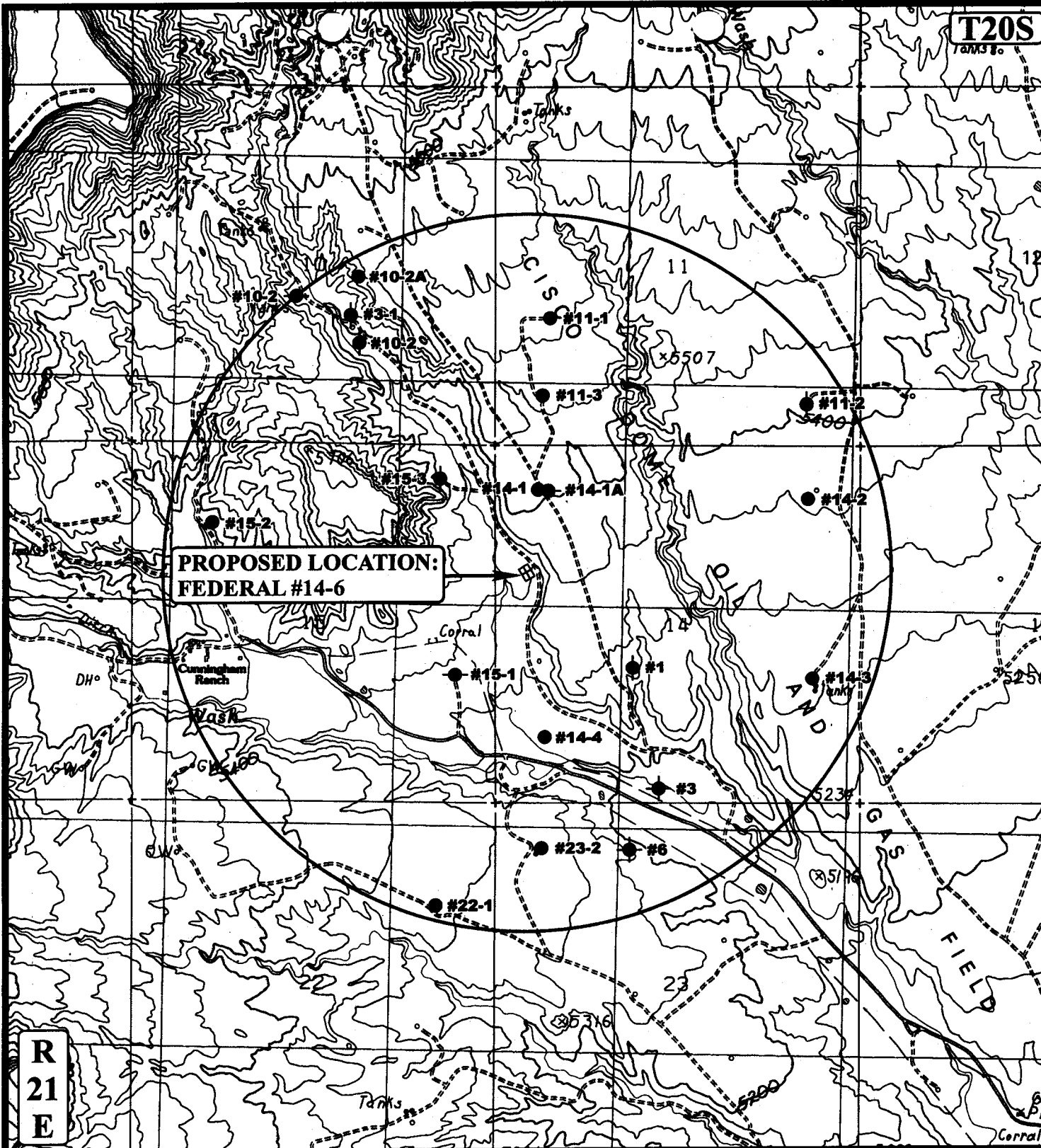
11 20 04
MONTH DAY YEAR

SCALE: 1:100,000 DRAWN BY: P.M. REVISED: 00-00-00





T20S



R
21
E

LEGEND:

- | | |
|-------------------|-------------------------|
| ○ DISPOSAL WELLS | ○ WATER WELLS |
| ● PRODUCING WELLS | ● ABANDONED WELLS |
| ● SHUT IN WELLS | ● TEMPORARILY ABANDONED |



ELK PRODUCTION, LLC

FEDERAL #14-6
SECTION 14, T20S, R21E, S.L.B.&M.
1861' FNL 461' FWL



Uintah Engineering & Land Surveying
 85 South 200 East Vernal, Utah 84078
 (435) 789-1017 * FAX (435) 789-1813

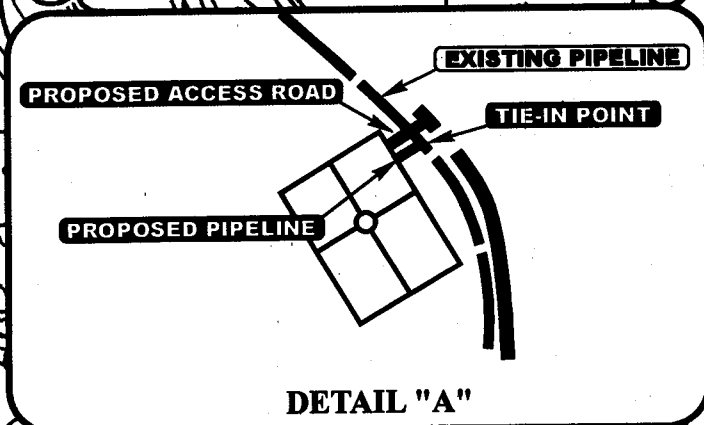
TOPOGRAPHIC
MAP

11 20 04
 MONTH DAY YEAR

SCALE: 1" = 2000' DRAWN BY: P.M. REVISED: 00-00-00



T20S



PROPOSED LOCATION:
FEDERAL #14-6

SEE DETAIL "A"

Corral

R
21
E

APPROXIMATE TOTAL PIPELINE DISTANCE = 25' +/-

LEGEND:

- PROPOSED ACCESS ROAD
- EXISTING PIPELINE
- PROPOSED PIPELINE



ELK PRODUCTION, LLC

FEDERAL #14-6
SECTION 14, T20S, R21E, S.L.B.&M.
1861' FNL 461' FWL



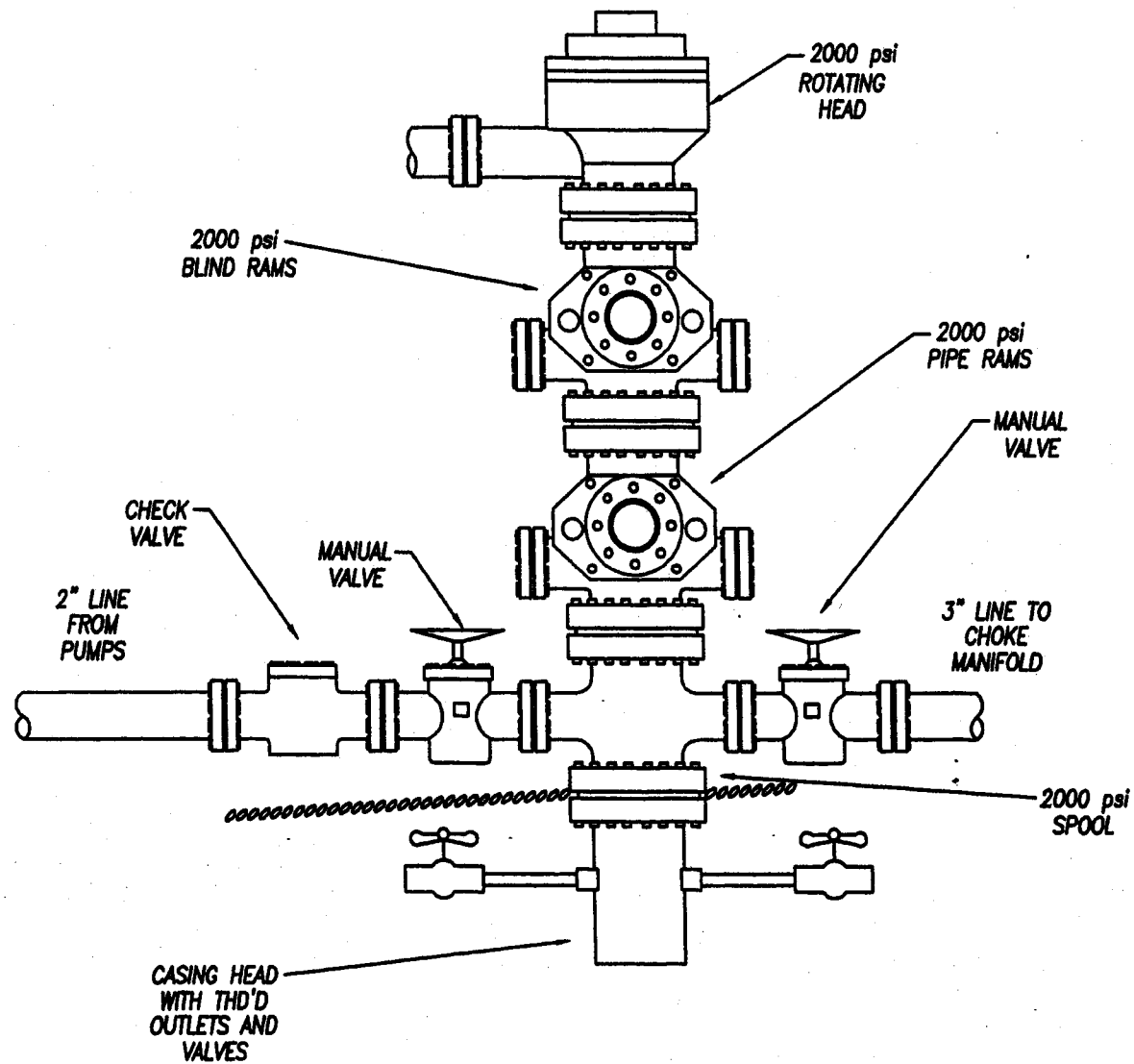
Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(435) 789-1017 * FAX (435) 789-1813

| | | | |
|--------------------|----------------|-----|-------------------|
| TOPOGRAPHIC MAP | 11 | 20 | 04 |
| | MONTH | DAY | YEAR |
| SCALE: 1" = 1000' | DRAWN BY: P.M. | | REVISED: 00-00-00 |

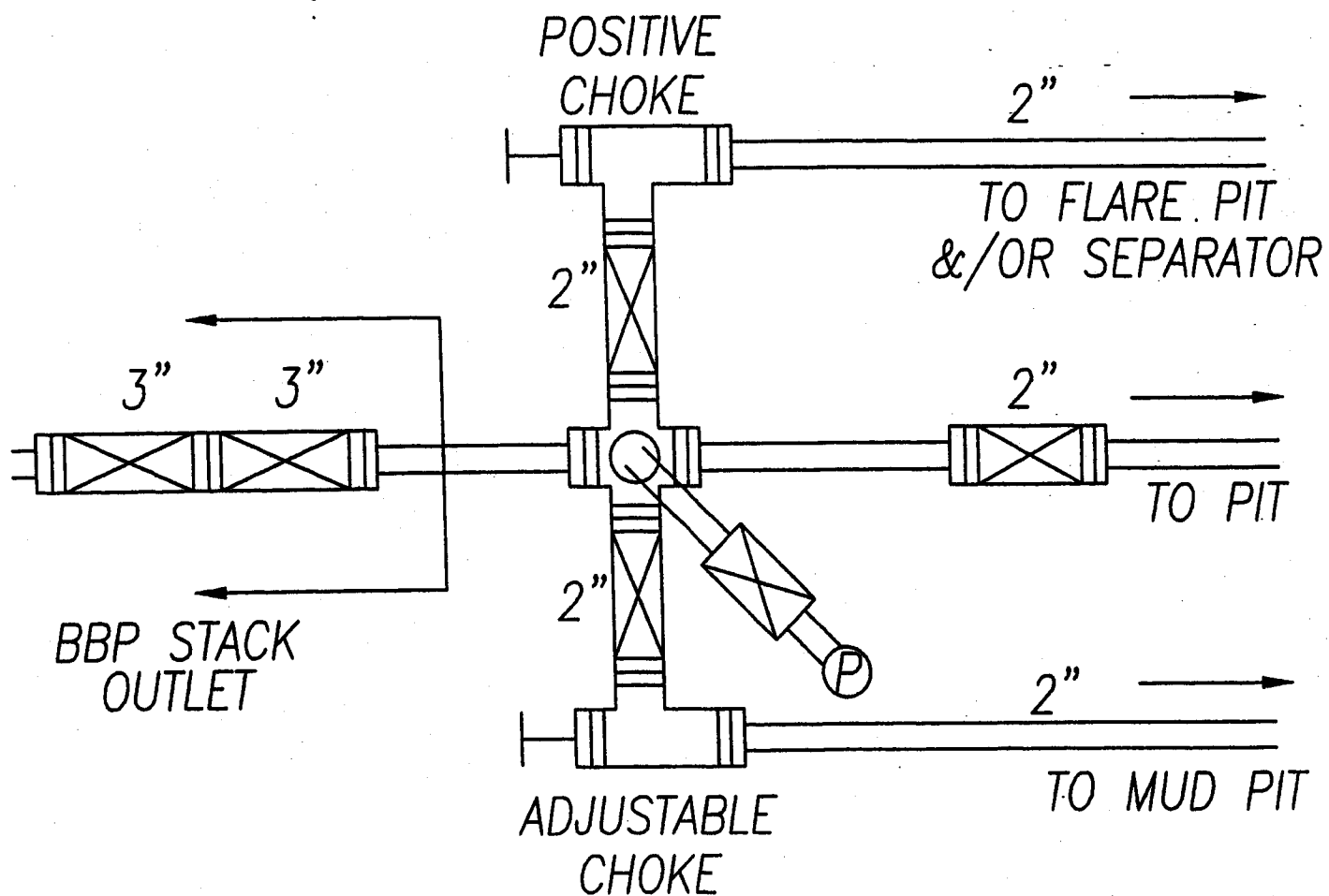


BOP Equipment

2000psi WP



CHOKE MANIFOLD



003

WORKSHEET
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 12/23/2004

API NO. ASSIGNED: 43-019-31421

WELL NAME: FEDERAL 14-6

OPERATOR: ELK PRODUCTION LLC (N2650)

CONTACT: DON HAMILTON

PHONE NUMBER: 435-650-1886

PROPOSED LOCATION:

SWNW 14 200S 210E

SURFACE: 1861 FNL 0461 FWL

BOTTOM: 1861 FNL 0461 FWL

GRAND

GREATER CISCO (205)

LEASE TYPE: 1 - Federal

LEASE NUMBER: UTU-02140-A

SURFACE OWNER: 1 - Federal

PROPOSED FORMATION: ENRD

COALBED METHANE WELL? NO

INSPECT LOCATN BY: / /

| Tech Review | Initials | Date |
|-------------|----------|------|
| Engineering | | |
| Geology | | |
| Surface | | |

LATITUDE: 39.06868

LONGITUDE: -109.5716

RECEIVED AND/OR REVIEWED:

☒ Plat
☒ Bond: Fed[1] Ind[] Sta[] Fee[]
(No. B 000971)
☒ Potash (Y/N)
☒ Oil Shale 190-5 (B) or 190-3 or 190-13
☒ Water Permit
(No. Air drilled)
☒ RDCC Review (Y/N)
(Date: _____)
☒ Fee Surf Agreement (Y/N)

LOCATION AND SITING:

R649-2-3.

Unit _____

R649-3-2. General

Siting: 460 From Qtr/Qtr & 920' Between Wells

R649-3-3. Exception

☒ Drilling UnitBoard Cause No: 102-16 BEff Date: 11-15-1979Siting: See Cause Order

R649-3-11. Directional Drill

COMMENTS: _____

STIPULATIONS: _____

1-Federal Approval



State of Utah

Department of
Natural ResourcesROBERT L. MORGAN
*Executive Director*Division of
Oil, Gas & MiningMARY ANN WRIGHT
*Acting Division Director*OLENE S. WALKER
*Governor*GAYLE F. McKEACHNIE
Lieutenant Governor

December 28, 2004

Elk Production Company, LLC
1401 - 17th St., Suite 700
Denver, CO 80202Re: Federal 14-6 Well, 1861' FNL, 461' FWL, SW NW, Sec. 14, T. 20 South,
R. 21 East, Grand County, Utah

Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann. § 40-6-1 *et seq.*, Utah Administrative Code R649-3-1 *et seq.*, and the attached Conditions of Approval, approval to drill the referenced well is granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-019-31421.

Sincerely,

for John R. Baza
Associate Directorpab
Enclosurescc: Grand County Assessor
Bureau of Land Management, Moab District Office

Operator: Elk Production Company, LLC
Well Name & Number Federal 14-6
API Number: 43-019-31421
Lease: UTU-02140-A

Location: SW NW **Sec.** 14 **T.** 20 South **R.** 21 East

Conditions of Approval

1. General

Compliance with the requirements of Utah Admin. R. 649-1 *et seq.*, the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.

2. Notification Requirements

Notify the Division within 24 hours of spudding the well.

- Contact Carol Daniels at (801) 538-5284.

Notify the Division prior to commencing operations to plug and abandon the well.

- Contact Dan Jarvis at (801) 538-5338

3. Reporting Requirements

All required reports, forms and submittals will be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

4. State approval of this well does not supersede the required federal approval, which must be obtained prior to drilling.



May 17, 2005

Mr. Eric Jones
Bureau of Land Management
Moab Field Office
82 East Dogwood Ave.
Moab, Utah 84532

**RE: Change of Plans to APD
Increase Surface Casing f/ 7" to 8 5/8" and Optional 5 1/2" Production String
Federal 11-6, 14-5, 14-6, 14-7, 14-8, 15-7, 22-2, 23-6, 24-6, 25-5
Greater Cisco Field, Grand County, Utah**

Dear Mr. Jones:

Please find attached three copies of "Sundry Notices" for each of the subject proposed drilling locations. Elk would like to increase the surface casing size from 7" to 8 5/8" and the production casing to an optional 5 1/2" from the 4 1/2".

Should you have any questions, please contact Tom Young at (303) 296-4505.

Regards,

Karin Kuhn
Engineering Technician

Attachments

cc: Dustin Doucet, DOGM, Box 145801, Salt Lake City, UT 84114-5801

RECEIVED
MAY 19 2005
DIV. OF OIL, GAS & MINING

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB No. 1004-0137
Expires: March 31, 2007

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE- Other instructions on reverse side.

| | | |
|--|---|--|
| 1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other | | 5. Lease Serial No. UTU-02140-A |
| 2. Name of Operator Elk Production LLC | | 6. If Indian, Allottee or Tribe Name N/A |
| 3a. Address 1401 17th. Street, Suite 700, Denver Colorado, 80202 | 3b. Phone No. (include area code) 303 296 4505 | 7. If Unit or CA/Agreement, Name and/or No. N/A |
| 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 1861' FNL & 461' FWL, SWNW Section 14, T20S, R21E | | 8. Well Name and No. Federal #14-6 |
| | | 9. API Well No. 43019314210000 |
| | | 10. Field and Pool, or Exploratory Area Greater Cisco |
| | | 11. County or Parish, State Grand County, Utah |

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

| TYPE OF SUBMISSION | TYPE OF ACTION | | | |
|--|--|---|--|--|
| <input checked="" type="checkbox"/> Notice of Intent | <input type="checkbox"/> Acidize | <input type="checkbox"/> Deepen | <input type="checkbox"/> Production (Start/Resume) | <input type="checkbox"/> Water Shut-Off |
| <input type="checkbox"/> Subsequent Report | <input checked="" type="checkbox"/> Alter Casing | <input type="checkbox"/> Fracture Treat | <input type="checkbox"/> Reclamation | <input type="checkbox"/> Well Integrity |
| <input type="checkbox"/> Final Abandonment Notice | <input type="checkbox"/> Casing Repair | <input type="checkbox"/> New Construction | <input type="checkbox"/> Recomplete | <input checked="" type="checkbox"/> Other Increase surf. csg |
| | <input checked="" type="checkbox"/> Change Plans | <input type="checkbox"/> Plug and Abandon | <input type="checkbox"/> Temporarily Abandon | from 7" to 8 5/8" |
| | <input type="checkbox"/> Convert to Injection | <input type="checkbox"/> Plug Back | <input type="checkbox"/> Water Disposal | Option for 5 1/2" |

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

With this Sundry Notice, Elk Production LLC requests permission to increase the surface casing size from 7" to 8 5/8" and the production casing to an optional 5 1/2" string from the 4 1/2". Hole sizes will be increased to accommodate the larger casing and cement volumes will be adjusted accordingly. Setting depth remains unchanged for the surface casing. The purpose for this is to allow a string of 5 1/2" casing to be run prior to reaching the planned TD if gas flow becomes excessive while drilling the shallower pay intervals. It is a concern to Elk that continuing the drilling with mud, should gas flows become too strong to continue on air, could be very damaging to zones exposed to drilling fluid. Casing the well through shallower pays with 5 1/2" casing will allow the well to be deepened at a later time to test for and produce the deeper pays.

One additional change would be for the use of an External Casing Packer tool to place above pay intervals to prevent cement damage to pay intervals which exhibit good strength during drilling. As in the case of 5 1/2" versus 4 1/2", this would be an option on a well-by-well basis.

COPY SENT TO OPERATOR

Date: 5-24-05
Initials: C.H.D.

14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)

Karin Kuhn

Title Engineering Technician

Signature

Date

05/16/2005

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Title

Accepted by the
Utah Division of
Oil, Gas and MiningDate Federal Approval Of This
Action Is Necessary

Office

Date: 5/23/05

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

RECEIVED
JUN 20 2005
DIV. OF OIL, GAS & MINING

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK

DRILL ☒

DEEPEN ☐

b. TYPE OF WELL

OIL WELL ☐

GAS WELL ☒

OTHER ☐

SINGLE ZONE ☐

MULTIPLE ZONE ☒

2. NAME OF OPERATOR

Elk Production Company, LLC

3. ADDRESS AND TELEPHONE NO.

1401-17th Street, Suite 700, Denver, Colorado 80202

303-296-4505

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)

At surface

1,861' FNL, 461' FWL

SW/4 NW/4

At proposed prod. zone

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*

15.27 miles northwest of Cisco, Utah

15. DISTANCE FROM PROPOSED LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drig. unit line, if any)

777'

16. NO. OF ACRES IN LEASE

17. NO. OF ACRES ASSIGNED TO THIS WELL

160 acres

18. DISTANCE FROM PROPOSED LOCATION TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE FT.

+/- 1,200'

19. PROPOSED DEPTH

3,100'

20. ROTARY OR CABLE TOOLS

Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)

5,270' GR

22. APPROX. DATE WORK WILL START*

As soon as approved

23. PROPOSED CASING AND CEMENTING PROGRAM

| SIZE OF HOLE | GRADE, SIZE OF CASING | WEIGHT PER FOOT | SETTING DEPTH | QUANTITY OF CEMENT |
|--------------|-----------------------|-----------------|---------------|--|
| 9-1/2" | 7" H-40 ST&C | 17# | 250' | 100 sx Halliburton Type 5 with additives—see attached Drilling Plan |
| 6-1/2" | 4-1/2" K-55 LT&C | 10.5# | 3,100' | 160 sx 50/50 Class "G" Poz with additives—see attached Drilling Plan |

Bond Information:

Bond coverage is provided by US Specialty Insurance Company, Bond #B 000971

BLM Bond # UTB000135

Other Information:

Drilling Plan and Surface Use Plan are attached.

Elk Production Company, LLC requests that this complete application for permit to drill be held confidential.

RECEIVED
JUN 21 A 7:48
BUREAU OF LAND MGMT
FIELD OFFICE

ORIGINAL

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24.

SIGNED Don Hamilton Don Hamilton TITLE Agent for Elk Production Company, LLC DATE December 20, 2004

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon. CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY

Isl A. Lynn Jackson

TITLE

Assistant Field Manager,
Division of Resources

DATE

JUN 15 2005

*See Instructions On Reverse Side

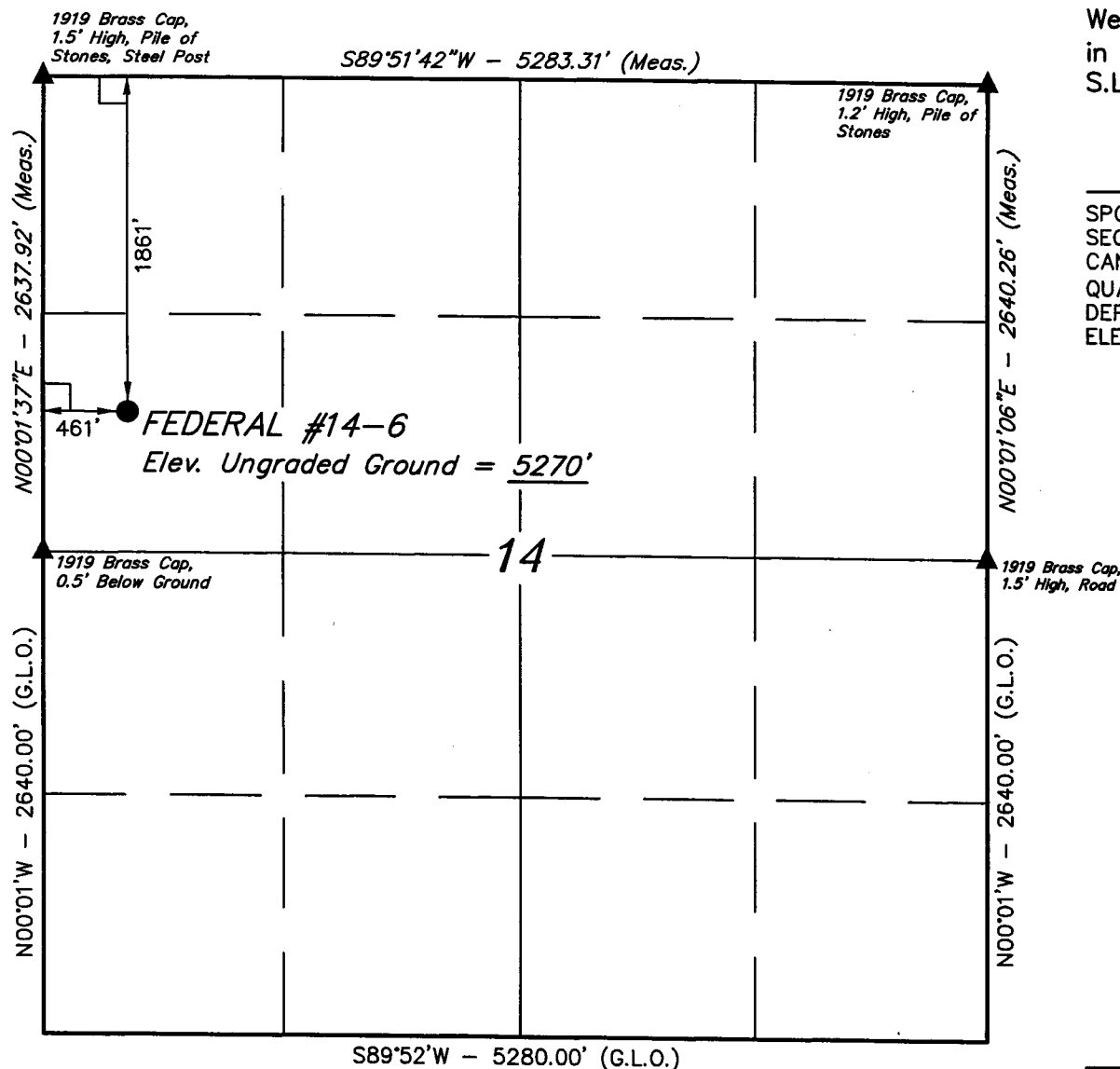
Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency or the

CONDITIONS OF APPROVAL ATTACHED

T20S, R21E, S.L.B.&M.

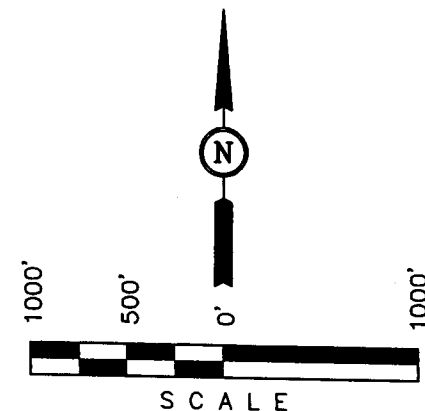
ELK PRODUCTION, LLC

Well location, FEDERAL #14-6, located as shown in the SW 1/4 NW 1/4 of Section 14, T20S, R21E, S.L.B.&M. Grand County, Utah.



BASIS OF ELEVATION

SPOT ELEVATION LOCATED AT THE SOUTHEAST CORNER OF SECTION 24, T20S, R21E, S.L.B.&M. TAKEN FROM THE CALF CANYON, QUADRANGLE, UTAH, GRAND COUNTY, 7.5 MINUTE QUAD. (TOPOGRAPHIC MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 5084 FEET.



CERTIFICATE

THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

REGISTERED LAND SURVEYOR
REGISTRATION NO. 161319
STATE OF UTAH

BASIS OF BEARINGS

BASIS OF BEARINGS IS A G.P.S. OBSERVATION.

(AUTONOMOUS NAD 83)
LATITUDE = 39°04'07.00" (39.068611)
LONGITUDE = 109°34'19.90" (109.572194)
(AUTONOMOUS NAD 27)
LATITUDE = 39°04'07.10" (39.068639)
LONGITUDE = 109°34'17.45" (109.571514)

LEGEND:

- └─┘ = 90° SYMBOL
- = PROPOSED WELL HEAD.
- ▲ = SECTION CORNERS LOCATED.

UINTAH ENGINEERING & LAND SURVEYING

85 SOUTH 200 EAST - VERNAL, UTAH 84078

(435) 789-1017

| | | |
|-------------------------|-----------------------------|------------------------|
| SCALE 1" = 1000' | DATE SURVEYED: 11-16-04 | DATE DRAWN: 12-9-04 |
| PARTY M.A. W.D. K.G. | REFERENCES G.L.O. PLAT | |
| WEATHER COLD | FILE ELK PRODUCTION, LLC | |

Elk Production Company, LLC
Well No. 14-6
Lease U-02140-A
SW/SW Section 14, T20S, R21E
Grand County, Utah

A COMPLETE COPY OF THIS PERMIT SHALL BE KEPT ON LOCATION from the beginning of site construction through well completion, and shall be available to contractors to ensure compliance.

CONDITIONS OF APPROVAL

Approval of this application does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Be advised that Elk Production Company, LLC is considered to be the operator of the above well and is responsible under the terms and conditions of the lease for the operations conducted on the leased lands.

Bond coverage for this well is provided by **UTB000135** (Principal – Elk Production Company, LLC) via surety consent as provided for in 43 CFR 3104.2.

This office will hold the aforementioned operator and bond liable until the provisions of 43 CFR 3106.7-2 continuing responsibility are met.

This permit will be valid for a period of one year from the date of approval. After permit termination, a new application must be filed for approval.

All lease operations will be conducted in full compliance with applicable regulations (43 CFR 3100), Onshore Oil and Gas Orders, lease terms, notices to lessees, and the approved plan of operations. The operator is fully responsible for the actions of his subcontractors.

A. DRILLING PROGRAM

1. The proposed 2M BOPE is adequate for anticipated conditions. Installation, testing and operation of the system shall be in conformance with Onshore Oil and Gas Order No. 2.
2. Concurrent approval from the State of Utah, Division of Oil, Gas & Mining (DOGM) is required before conducting any surface disturbing activities.
3. Spacing of wells completed in the Dakota, Cedar Mountain and Morrison Formations is subject to Utah Board of Oil, Gas and Mining, Cause No. 102-16B. In summary, it requires gas wells to be not less than 1320 feet apart. The #14-6 location is less than 1320 feet from the existing #14-1 and #14-1A wells.
4. When drilling with air, the requirements of Onshore Oil and Gas Order No. 2, part III, E, Special Drilling Operations, shall apply. Among the requirements in this section are:
 - Spark arresters
 - Blooie line discharge 100 feet from wellbore
 - Straight blooie line
 - Deduster equipment
 - Float valve above bit
 - Automatic igniter on the blooie line

B. SURFACE USE PLAN

1. In order to protect watershed values, no road/well pad construction or drilling operations will be authorized between November 1 and April 30. The limitation does not apply to maintenance and operation of producing wells. Exceptions to this limitation may be specified in writing by the Moab Field Office.
2. In order to protect wintering bald eagles and big game animals, no road/well pad construction or drilling operations will be authorized between November 1 and May 15. The limitation does not apply to maintenance and operation of producing wells. Exceptions to this limitation may be specified in writing by the Moab Field Office.
3. In order to protect nesting raptors, Elk Production has committed to completing a raptor survey with the Utah Division of Wildlife Resources. No road/well pad construction or drilling operations will be authorized within 0.5 mile of raptor nesting sites between March 1 and August 31 (or January 1 to August 31 for golden eagles). The limitation does not apply to maintenance and operation of producing wells. Exceptions to this limitation may be specified in writing by the Moab Field Office.
4. The operator is responsible for informing all persons in the area who are associated with this project that they will be subject to prosecution for knowingly disturbing historic or archaeological sites, or for collecting artifacts. If historic or archaeological materials are uncovered during construction, the operator is to immediately stop work that might further disturb such materials, and contact the BLM Field Office. Within five (5) working days, the BLM will inform the operator as to:
 - whether the materials appear eligible for the National Register of Historic Places;
 - the mitigation measures the operator will likely have to undertake before the site can be used (assuming in situ preservation is not necessary); and
 - a time frame for the BLM to complete an expedited review under 36 CFR § 800.11 to confirm, through the State Historic Preservation Officer, that the findings of the BLM are correct and that mitigation is appropriate.

If the operator wishes, at any time, to relocate activities to avoid the expense of mitigation and/or the delays associated with this process, the BLM will assume responsibility for whatever recordation and stabilization of the exposed materials may be required. Otherwise, the operator will be responsible for mitigation costs. The BLM will provide technical and procedural guidelines for the conduct of mitigation. Upon verification from the BLM that the required mitigation has been completed, the operator will then be allowed to resume construction.

5. Dust control will be provided during construction and drilling operations by spraying fresh water on new road construction, roads being maintained, and the well pad.
6. If water is produced from the well, an application in conformance with Onshore Oil and Gas Order No. 7 will be submitted. The specifications for the pits or tanks used for the storage of produced water will be determined from the information in the application.
7. All wells, whether drilling, producing, suspended, or abandoned, will be identified in accordance with 43 CFR § 3162.6.

C. REQUIRED APPROVALS, REPORTS AND NOTIFICATIONS

Required verbal notifications are summarized in Table 1, attached.

Building Location- Notify the Moab Field Office at least 48-hours prior to commencing construction of location.

Spud- Notify the Moab Field Office 24-hours prior to spudding. Submit written notification of spud (Sundry Notice, Form 3160-5) to the Moab Field Office within 24-hours after spudding, regardless of whether spud was made with a dry hole digger or big rig.

Daily Drilling Reports- Daily drilling reports that describe the progress and status of the well shall be submitted to the Moab Field Office on a weekly basis. This report may be in any format customarily used by the operator.

Oil and Gas Operations Reports (OGORs)- Production from this well shall be reported to Minerals Management Service (MMS) on a monthly basis.

Sundry Notices- Any modification to the proposed drilling program shall be submitted to the Moab Field Office on a Sundry Notice (Form 3160-5). Regulations at 43 CFR 3162.3-2 describe which operations require prior approval, and which require notification.

Drilling Suspensions- Operations authorized by this permit shall not be suspended for more than 30 days without prior approval of the Moab Field Office. All conditions of this approval shall be applicable during any operations conducted with a replacement rig.

Undesirable Events- Spills, blowouts, fires, leaks, accidents, or any other unusual occurrences shall be immediately reported to the BLM in accordance with requirements of NTL-3A.

Cultural Resources- If cultural resources are discovered during construction, immediately notify the Moab Field Office, and work that might disturb the cultural resources shall cease.

First Production- A first production conference will be scheduled as soon as the productivity of the well is apparent. This conference should be coordinated through the Moab Field Office.

Notify the Moab Field Office when the well is placed into production. Initial notification may be verbal, but must be confirmed in writing within five business days. Please include the date production started, the producing formation and production volumes.

Well Completion Report- Whether the well is completed as a dry hole or as a producer, a *Well Completion or Recompletion Report and Log* (Form 3160-4) shall be submitted to the Moab Field Office within thirty-days after completion of the well. Two copies of all logs, core descriptions, core analyses, well test data, geologic summaries, sample description, and all other surveys or data obtained and compiled during the drilling, workover, and/or completion operations, will be filed with Form 3160-4. When requested, samples (cuttings and/or samples) will be submitted to the Moab Field Office.

Venting/Flaring of Gas- Gas produced from this well may not be vented/flared beyond an initial, authorized test period of 30 days or 50 MMcf, whichever first occurs, without the prior, written approval of the Moab Field Office. Should gas be vented or flared without approval beyond the authorized test period, the well may be ordered to be shut-in until the gas can be captured or until approval to continue the venting/flaring pursuant to NTL-4A is granted. Compensation shall be due for gas that is vented/flared without approval.

Produced Water- An application for approval of a permanent disposal method and location will be submitted to the Moab Field Office for approval pursuant to Onshore Oil and Gas Order No.7.

Off-Lease Measurement, Storage, Commingling- Prior approval must be obtained from the Moab Field Office for off-lease measurement, off-lease storage and/or commingling of production prior to the sales measurement point. The term "commingling" describes both the combining of production from different geologic zones and/or combining production from different leases or agreement areas.

Plugging and Abandonment- If the well is a dry hole, plugging instructions must be obtained from the Moab Field Office prior to initiating plugging operations.

A "Subsequent Report of Abandonment" (Sundry Notice, Form 3160-5) will be filed with the Moab Field Office within thirty-days following completion of the well for abandonment. This report will indicate where plugs were placed and the current status of surface restoration. Upon completion of approved plugging, a regulation marker will be erected in accordance with 43 CFR 3162.6. Final abandonment will not be approved until the surface reclamation work required by the approved APD or approved abandonment notice has been completed to the satisfaction of the Moab Field Office or the appropriate surface managing agency.

TABLE 1

NOTIFICATIONS

Notify Rich McClure (435-259-2127) or Jack Johnson (435-259-2129) of the BLM Moab Field Office for the following:

2 days prior to constructing the location (McClure);

1 day prior to spudding (Johnson);

50 feet prior to reaching the surface casing setting depth (Johnson);

3 hours prior to testing BOPE (Johnson)

If the person at the above number cannot be reached, notify the BLM Moab Field Office at 435-259-2100.

Well abandonment operations require 24-hour advance notice and prior approval. In the case of newly drilled dry holes, verbal approval can be obtained from:

Eric Jones, Petroleum Engineer

Office: 435-259-2117

Home: 435-259-2214



June 20, 2005

Mr. Eric Jones
Bureau of Land Management
Moab Field Office
82 East Dogwood Ave.
Moab, Utah 84532

**RE: Change of Plans to APD
Change BOP Equipment
Federal 14-5, 14-6, 14-7, 14-8, 22-2, 23-6, 25-5
Greater Cisco Field, Grand County, Utah**

Dear Mr. Jones:

Please find attached three copies of "Sundry Notices" for each of the subject proposed drilling locations. Elk seeks permission to change the BOP equipment from 10" 2000# Ram-Type Double BOP to a 10" 3000# Annular-Type BOP.

Should you have any questions, please contact Tom Young at (303) 296-4505.

Regards,

Karin Kuhn
Engineering Technician

Attachments

cc: Dustin Doucet, DOGM, Box 145801, Salt Lake City, UT 84114-5801

RECEIVED

JUN 23 2005

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB No. 1004-0137
Expires: March 31, 2007

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE- Other instructions on reverse side.1. Type of Well
☐ Oil Well ☒ Gas Well ☐ Other2. Name of Operator
Elk Production LLC3a. Address
1401 17th. Street, Suite 700, Denver Colorado, 802023b. Phone No. (include area code)
303 296 45054. Location of Well (Footage, Sec., T., R., M., or Survey Description)
1861' FNL & 461' FWL, SWNW Section 14, T20S, R21E

5. Lease Serial No.

UTU-02140-A

6. If Indian, Allottee or Tribe Name

N/A

7. If Unit or CA/Agreement, Name and/or No.

N/A

8. Well Name and No.

Federal #14-6

9. API Well No.

43019314210000

10. Field and Pool, or Exploratory Area

Greater Cisco

11. County or Parish, State

Grand County, Utah

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

| TYPE OF SUBMISSION | TYPE OF ACTION | | | |
|--|--|---|--|---|
| <input checked="" type="checkbox"/> Notice of Intent | <input type="checkbox"/> Acidize | <input type="checkbox"/> Deepen | <input type="checkbox"/> Production (Start/Resume) | <input type="checkbox"/> Water Shut-Off |
| <input type="checkbox"/> Subsequent Report | <input type="checkbox"/> After Casing | <input type="checkbox"/> Fracture Treat | <input type="checkbox"/> Reclamation | <input type="checkbox"/> Well Integrity |
| <input type="checkbox"/> Final Abandonment Notice | <input type="checkbox"/> Casing Repair | <input type="checkbox"/> New Construction | <input type="checkbox"/> Recomplete | <input checked="" type="checkbox"/> Other Change BOP |
| | <input checked="" type="checkbox"/> Change Plans | <input type="checkbox"/> Plug and Abandon | <input type="checkbox"/> Temporarily Abandon | Equipment |
| | <input type="checkbox"/> Convert to Injection | <input type="checkbox"/> Plug Back | <input type="checkbox"/> Water Disposal | |

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

With this Sundry Notice, Elk Production LLC requests permission to change the BOP equipment from using a 10" 2000# Ram-Type Double BOP to a 10" 3000# Annular-Type BOP. Plan to test BOP to 1500 psi, twice the possible shut-in pressure amount.

14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed)

Karin Kuhn

Title Engineering Technician

Signature

Date

06/20/2005

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Accepted by the
Utah Division of
Oil, Gas and Mining

Date

Federal Approval Of This
Action Is Necessary

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to a matter within its jurisdiction.

(Instructions on page 2)

By:

JUN 23 2005

DIV. OF OIL, GAS & MINING

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB No. 1004-0137
Expires: March 31, 2007**SUNDRY NOTICES AND REPORTS ON WELLS**

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE- Other instructions on reverse side.1. Type of Well
☐ Oil Well ☒ Gas Well ☐ Other2. Name of Operator **Elk Production LLC**3a. Address
1401 17th. Street, Suite 700, Denver Colorado, 802023b. Phone No. (include area code)
303 296 45054. Location of Well (Footage, Sec., T., R., M., or Survey Description)
1861' FNL & 461' FWL, SWNW Section 14, T20S, R21E

5. Lease Serial No.

UTU-02140-A

6. If Indian, Allottee or Tribe Name

N/A

7. If Unit or CA/Agreement, Name and/or No.

N/A

8. Well Name and No.

Federal #14-6

9. API Well No.

43019314210000

10. Field and Pool, or Exploratory Area

Greater Cisco

11. County or Parish, State

Grand County, Utah**12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA****TYPE OF SUBMISSION**

- ☒ Notice of Intent
☐ Subsequent Report
☐ Final Abandonment Notice

TYPE OF ACTION

- | | | | |
|---|---|--|--|
| <input type="checkbox"/> Acidize | <input type="checkbox"/> Deepen | <input type="checkbox"/> Production (Start/Resume) | <input type="checkbox"/> Water Shut-Off |
| <input type="checkbox"/> Alter Casing | <input type="checkbox"/> Fracture Treat | <input type="checkbox"/> Reclamation | <input type="checkbox"/> Well Integrity |
| <input type="checkbox"/> Casing Repair | <input type="checkbox"/> New Construction | <input type="checkbox"/> Recomplete | <input checked="" type="checkbox"/> Other Enlarge Work Area |
| <input type="checkbox"/> Change Plans | <input type="checkbox"/> Plug and Abandon | <input type="checkbox"/> Temporarily Abandon | |
| <input type="checkbox"/> Convert to Injection | <input type="checkbox"/> Plug Back | <input type="checkbox"/> Water Disposal | |

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

Due to a high density of cheat grass and risk of wildfires when flaring during drilling operations, Elk Production LLC requests authorization to clear additional vegetation behind the bloole/flare pit.

A water truck would be driven around the side of the well pad to crush vegetation and to keep vegetation wet prior to flaring. Estimated surface disturbance would be approximately 0.25 acre (a width of 20-30 feet around portions of the wellpad).

Accepted by the
Utah Division of
Oil, Gas and Mining

Federal Approval Of This
Action Is Necessary

COPY SENT TO OPERATOR
Date: 7-8-05
Initials: CMO

Date: 7/5/05By: [Signature]

14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)

Karin KuhnTitle **Engineering Technician**

Signature

Date

07/01/2005**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved by

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Title

Date

Office

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(Instructions on page 2)

RECEIVED**JUL 05 2005**

DIV. OF OIL, GAS & MINING

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 6

ENTITY ACTION FORM

Operator: Elk Production LLC
Address: 1401 17th Street, Suite 700
city Denver
state CO zip 80202

Operator Account Number: N 2650

Phone Number: (303) 296-4505

Well 1

| API Number | Well Name | QQ | Sec | Twp | Rng | County |
|-----------------------|-----------------------|-------------------|-----------|-----|----------------------------------|--------------|
| 4301931421 | Federal 14-6 | SWNW | 14 | 20S | 21E | Grand |
| Action Code | Current Entity Number | New Entity Number | Spud Date | | Entity Assignment Effective Date | |
| A | 99999 | 14803 | 6/30/2005 | | 7-6-05 | |
| Comments: <u>ENRD</u> | | | | | | CONFIDENTIAL |

Well 2

| API Number | Well Name | QQ | Sec | Twp | Rng | County |
|-------------|-----------------------|-------------------|-----------|-----|----------------------------------|--------|
| | | | | | | |
| Action Code | Current Entity Number | New Entity Number | Spud Date | | Entity Assignment Effective Date | |
| | | | | | | |
| Comments: | | | | | | |

Well 3

| API Number | Well Name | QQ | Sec | Twp | Rng | County |
|-------------|-----------------------|-------------------|-----------|-----|----------------------------------|--------|
| | | | | | | |
| Action Code | Current Entity Number | New Entity Number | Spud Date | | Entity Assignment Effective Date | |
| | | | | | | |
| Comments: | | | | | | |

ACTION CODES:

- A - Establish new entity for new well (single well only)
- B - Add new well to existing entity (group or unit well)
- C - Re-assign well from one existing entity to another existing entity
- D - Re-assign well from one existing entity to a new entity
- E - Other (Explain in 'comments' section)

Karin Kuhn

Name (Please Print)

Signature

Engineering Technician

Title

7/5/2005

Date

JUL 06 2005

DIV. OF OIL, GAS & MINING

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB No. 1004-0137
Expires: March 31, 2007

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE- Other instructions on reverse side.1. Type of Well
☐ Oil Well ☒ Gas Well ☐ Other2. Name of Operator **Elk Production LLC**3a. Address
1401 17th. Street, Suite 700, Denver Colorado, 802023b. Phone No. (include area code)
303 296 4505

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

1861' FNL & 461' FWL, SWNW Section 14, T20S, R21E

5. Lease Serial No.

UTU-02140-A

6. If Indian, Allottee or Tribe Name

N/A

7. If Unit or CA/Agreement, Name and/or No.

N/A

8. Well Name and No.

Federal #14-6

9. API Well No.

43019314210000

10. Field and Pool, or Exploratory Area

Greater Cisco

11. County or Parish, State

Grand County, Utah**12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA**

| TYPE OF SUBMISSION | TYPE OF ACTION | | | |
|---|---|---|--|--|
| <input type="checkbox"/> Notice of Intent | <input type="checkbox"/> Acidize | <input type="checkbox"/> Deepen | <input type="checkbox"/> Production (Start/Resume) | <input type="checkbox"/> Water Shut-Off |
| <input checked="" type="checkbox"/> Subsequent Report | <input type="checkbox"/> Alter Casing | <input type="checkbox"/> Fracture Treat | <input type="checkbox"/> Reclamation | <input type="checkbox"/> Well Integrity |
| <input type="checkbox"/> Final Abandonment Notice | <input type="checkbox"/> Casing Repair | <input type="checkbox"/> New Construction | <input type="checkbox"/> Recomplete | <input checked="" type="checkbox"/> Other Spud well |
| | <input type="checkbox"/> Change Plans | <input type="checkbox"/> Plug and Abandon | <input type="checkbox"/> Temporarily Abandon | |
| | <input type="checkbox"/> Convert to Injection | <input type="checkbox"/> Plug Back | <input type="checkbox"/> Water Disposal | |

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

The subject well was spud on 6/30/05. A 12 3/4" hole was drilled to 40' and 12 1/4" conductor pipe & set @ 40'. A 10 3/4" hole was drilled to 244' and 8 5/8" surface casing was set @ 240'. The 8 5/8" casing was cemented w/ 28 bbls cement. Cement was circulated to surface.

14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)**Karin Kuhn**Title **Engineering Technician**

Signature

Date

07/05/2005**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved by

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Title

Date

Office

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

RECEIVED**JUL 08 2005**

DIV. OF OIL, GAS & MINING



RECEIVED

JUL 15 2005

DIV. OF OIL, GAS & MINING

July 12, 2005

Mr. Kirk Fleetwood
Bureau of Land Management
Moab Field Office
82 East Dogwood Avenue
Moab, Utah 84532

**RE: Federal 14-6
4301931421**

Dear Mr. Fleetwood:

Attached is a sundry notice for the Federal 14-6 requesting permission to set 5 ½" casing immediately above the Dakota formation and make this an open-hole completion.

If you need additional information, please contact me at (303) 296-4505.

Sincerely,

Karin Kuhn
Engineering Technician

Enclosure

cc: Dustin Doucet, DOGM

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB No. 1004-0137
Expires: March 31, 2007

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE- Other instructions on reverse side.

1. Type of Well
☐ Oil Well ☒ Gas Well ☐ Other2. Name of Operator **Elk Production LLC**3a. Address
1401 17th. Street, Suite 700, Denver Colorado, 802023b. Phone No. (include area code)
303 296 45054. Location of Well (Footage, Sec., T., R., M., or Survey Description)
1861' FNL & 461' FWL, SWNW Section 14, T20S, R21E

5. Lease Serial No.

UTU-02140-A

6. If Indian, Allottee or Tribe Name

N/A

7. If Unit or CA/Agreement, Name and/or No.

N/A

8. Well Name and No.

Federal #14-6

9. API Well No.

43019314210000

10. Field and Pool, or Exploratory Area

Greater Cisco

11. County or Parish, State

Grand County, Utah

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

| TYPE OF SUBMISSION | TYPE OF ACTION | | | |
|--|--|---|--|---|
| <input checked="" type="checkbox"/> Notice of Intent | <input type="checkbox"/> Acidize | <input type="checkbox"/> Deepen | <input type="checkbox"/> Production (Start/Resume) | <input type="checkbox"/> Water Shut-Off |
| <input type="checkbox"/> Subsequent Report | <input checked="" type="checkbox"/> Alter Casing | <input type="checkbox"/> Fracture Treat | <input type="checkbox"/> Reclamation | <input type="checkbox"/> Well Integrity |
| <input type="checkbox"/> Final Abandonment Notice | <input type="checkbox"/> Casing Repair | <input type="checkbox"/> New Construction | <input type="checkbox"/> Recomplete | <input checked="" type="checkbox"/> Other Use 5 1/2" Casing |
| | <input checked="" type="checkbox"/> Change Plans | <input type="checkbox"/> Plug and Abandon | <input type="checkbox"/> Temporarily Abandon | Open-Hole |
| | <input type="checkbox"/> Convert to Injection | <input type="checkbox"/> Plug Back | <input type="checkbox"/> Water Disposal | Completion |

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

Elk Production LLC requests permission to set the 5 1/2" production casing immediately above the Dakota formation at approximately 2240' and making this well an open-hole completion following the drilling of the productive intervals below.

The 5 1/2" casing will be cemented with 150 sx of Type I cement which will bring the top of cement to above 1500' in the annulus.

COPY SENT TO OPERATOR

Date: 7-29-05

Initials: CMO

14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)

Karin Kuhn

Title Engineering Technician

Signature

Date

07/12/2005

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Title

Office

Accepted by the
Utah Division of
Oil, Gas and Mining

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

By:

JUL 15 2005

DIV. OF OIL, GAS & MINING

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB No. 1004-0137
Expires: March 31, 2007

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE- Other instructions on reverse side.1. Type of Well ☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator Elk Production LLC

3a. Address
1401 17th. Street, Suite 700, Denver Colorado, 802023b. Phone No. (include area code)
303 296 45054. Location of Well (Footage, Sec., T., R., M., or Survey Description)
1861' FNL & 461' FWL, SWNW Section 14, T20S, R21E

5. Lease Serial No.

UTU-02140-A

6. If Indian, Allottee or Tribe Name

N/A

7. If Unit or CA/Agreement, Name and/or No.

N/A

8. Well Name and No.

Federal #14-6

9. API Well No.

43019314210000

10. Field and Pool, or Exploratory Area

Greater Cisco

11. County or Parish, State

Grand County, Utah

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

| TYPE OF SUBMISSION | TYPE OF ACTION | | | |
|---|---|---|--|---|
| <input type="checkbox"/> Notice of Intent | <input type="checkbox"/> Acidize | <input type="checkbox"/> Deepen | <input type="checkbox"/> Production (Start/Resume) | <input type="checkbox"/> Water Shut-Off |
| <input checked="" type="checkbox"/> Subsequent Report | <input type="checkbox"/> Alter Casing | <input type="checkbox"/> Fracture Treat | <input type="checkbox"/> Reclamation | <input type="checkbox"/> Well Integrity |
| <input type="checkbox"/> Final Abandonment Notice | <input type="checkbox"/> Casing Repair | <input type="checkbox"/> New Construction | <input type="checkbox"/> Recomplete | <input checked="" type="checkbox"/> Other Update of Operations |
| | <input type="checkbox"/> Change Plans | <input type="checkbox"/> Plug and Abandon | <input type="checkbox"/> Temporarily Abandon | as of 7-18-05 |
| | <input type="checkbox"/> Convert to Injection | <input type="checkbox"/> Plug Back | <input type="checkbox"/> Water Disposal | |

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

Attached are copies of drilling reports from 7-1-05 through 7-14-05.

The subject well was drilled to a depth of 2240' and 5 1/2" production casing was set @ 2239'. The 5 1/2" casing was cemented w/ 33 bbls Ready-Mix cmt. The well was shut in waiting for the cmt to cure. The rig was moved off this location. The well is currently shut in waiting for a rig to begin completion operations.

14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)

Karin Kuhn

Title Engineering Technician

Signature

Date

07/18/2005

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

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Title

Date

Office

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(Instructions on page 2)

RECEIVED

JUL 21 2005

DIV. OF OIL, GAS & MINING

Rig Name/No. BEEMAN #28
Rig Telephone No. _____
RKB _____

| | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|----------------------|--|--------------------|---------|---------------------------|----------|----------------|-----|----------------------------|------|--------------------------|--------|--------------|-------|-----------------|---|--|--|--|--|--|--|--|--|--|--|--|--|--|--|
| WELL NAME & NO. | | FEDERAL #14-6 | | | | | | | | | | DATE | | 7/1/05 | | | | | | | | | | | | | | | |
| API NO. | | CURRENT OPERATIONS | | | | | | | | | | NO. OF DAYS: | | 1 | | | | | | | | | | | | | | | |
| | | WOC | | | | | | | | | | SPUD DATE: | | 6/30/05 | | | | | | | | | | | | | | | |
| DEVIATION SURVEYS | | | | | | | | | | CUMULATIVE ROTATING HRS. | | LAST CASING | | 12 1/4" @ 40' | | | | | | | | | | | | | | | |
| | | | | | | | | | | 12 | | | | | | | | | | | | | | | | | | | |
| DRILLED | | | | | FTG MADE | | | HRS. DRILLED | | HRS. TRIP | | HRS. OTHER | | FORM DRILLED | | | | | | | | | | | | | | | |
| FROM 0 TO 40 | | | | | 40 | | | 12 | | | | | | SURFACE | | | | | | | | | | | | | | | |
| BIT NO. | | SIZE | MAKE | TYPE | SER. NO. | JETS | IN | OUT | FEET | HRS | FT/HR. | WT | RPM | CUTTING | | | | | | | | | | | | | | | |
| 1 | | 12 3/4' | | | | | | | | | | | | | I O D L B G O R | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
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| PUMP #1 | | LINER & STROKE | | | | | SPM | | GPM | | PRESS | | AV:DP | | DC | | | | | | | | | | | | | | |
| PUMP #2 | | LINER & STROKE | | | | | SPM | | GPM | | PRESS | | AV:DP | | DC | | | | | | | | | | | | | | |
| MUD WT. | | FUN VIS | HP/HT | API | | FC | | pH | | CHL | | YP | PV | | GELS | | | | | | | | | | | | | | |
| | | | | | | /32 | | | | Mpp | | | | | / | | | | | | | | | | | | | | |
| % OIL | | % SOLIDS | % SANDS | SP. G. SOLIDS | | MBT | | LCM | | OIL/WATER RATIO | | ELEC STAB | | BBLs FLUID LOST | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | VOLTS | | / | | | | | | | | | | | | | | | |
| COMPRESSOR | | | | PRIMARY | | BOOSTER | | DISCH PRESS | | DISCH TEMP | | DISCH RATE | | W/O N2 CFM | | | | | | | | | | | | | | | |
| NO. UNITS / ON HOLE | | | | | | | | | | | | | | W/N2 CFM | | | | | | | | | | | | | | | |
| MIST INJECTIONS/BHP: | | | | | WATER | | | SOAP/HR. | | COR INHIB | | KCL | | OTHER | | | | | | | | | | | | | | | |
| | | | | | bbls. | | | gal | | gal | | lbs | | | | | | | | | | | | | | | | | |
| WT IN MUD | | DC'S | | STRING UP - DN - ROT | | | | SINCE LAST INSPECTION: HRS | | | | | | SHOCK TOOL | | | | | | | | | | | | | | | |
| | | | | | | | | DC | | | | | | | | | | | | | | | | | | | | | |
| FUEL USED | | DAILY | | CUM | | SLOW PUMP RATE | | STKS | | PRESSURE | | STKS | | PRESSURE | | | | | | | | | | | | | | | |
| | | | | gal | | gal | | #1- | | #1- | | #2- | | #2- | | | | | | | | | | | | | | | |
| MUD MATERIAL USED | | | | | | | | | | | | | | | WORK DESCRIPTION | | | | | | | | | | | | | | |
| GEL | | | | | | | | | | | | | | | 01:00-05:00 Hrs Drilled 12 3/4" hole to 40'. Set 40 of 12 1/4" conductor. | | | | | | | | | | | | | | |
| CMC | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| CAUSTIC | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| SODA ASH | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
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| BOTTOM HOLE ASSEMBLY | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| DESCRIPTION | | ID-IN | | OD-IN | | LENGTH | | | | | | | | | | | | | | | | | | | | | | | |
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| TOTAL | | 0 | | 0 | | 0 | | | | | | | | | | | | | | | | | | | | | | | |
| | | DAY | | TO DATE | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | 0 | | | | | | | | | | | | | | | | | | | | | | | | | |
| MUD COST | | | | 8,131 | | | | | | | | | | | | | | | | | | | | | | | | | |
| TANGIBLE | | | | 12,400 | | | | | | | | | | | | | | | | | | | | | | | | | |
| INTANGIBLE | | | | 20,531 | | | | | | | | | | | | | | | | | | | | | | | | | |
| TOTAL COST | | | | Submitted By: MIKE DECKER | | | | | | | | | | | | | | | | | | | | | | | | | |

ELK RESOURCES

| | |
|-------------------|------------|
| Rig Name/No. | BEEMAN #28 |
| Rig Telephone No. | 0 |
| RKB | 0 |

~~CONFIDENTIAL~~ Daily Drilling Report

[illegible]

CONFIDENTIAL

Daily Drilling Report

| Daily Drilling Report | | | | | | | | | | | | | |
|--------------------------|--|--|--|--|--|--|--|--|--|--|--|--|--|
| WELL NAME & NO. | | DATE | | | | | | | | | | | |
| 0 | | 7/12/05 | | | | | | | | | | | |
| API NO. | | NO. OF DAYS: | | | | | | | | | | | |
| 0 | | 3 | | | | | | | | | | | |
| DEVIATION SURVEYS | | SPUD DATE: | | | | | | | | | | | |
| 3/4 @ 1000' | | 6/30/05 | | | | | | | | | | | |
| CUMULATIVE ROTATING HRS. | | LAST CASING | | | | | | | | | | | |
| 16 | | 8 5/8" @ 240' | | | | | | | | | | | |
| DRILLED | | FORM DRILLED | | | | | | | | | | | |
| FROM 240 TO 1000 | | MANCOS SHALE | | | | | | | | | | | |
| FTG MADE | | HRS. DRILLED | | | | | | | | | | | |
| 760 | | 9.5 | | | | | | | | | | | |
| HRS. TRIP | | HRS. OTHER | | | | | | | | | | | |
| 13.5 | | 13.5 | | | | | | | | | | | |
| BIT NO. | | CUTTING | | | | | | | | | | | |
| 2 | | I O D L B G O R | | | | | | | | | | | |
| 7 7/8 | | CONE | | | | | | | | | | | |
| 240 | | 760 | | | | | | | | | | | |
| 9.5 | | 7625 | | | | | | | | | | | |
| 12 | | 100 | | | | | | | | | | | |
| PUMP #1 | | LINER & STROKE | | | | | | | | | | | |
| SPM | | GPM | | | | | | | | | | | |
| PRESS | | AV:DP | | | | | | | | | | | |
| DC | | | | | | | | | | | | | |
| PUMP #2 | | LINER & STROKE | | | | | | | | | | | |
| SPM | | GPM | | | | | | | | | | | |
| PRESS | | AV:DP | | | | | | | | | | | |
| DC | | | | | | | | | | | | | |
| MUD WT. | | FUN VIS | | | | | | | | | | | |
| HP/HT | | API | | | | | | | | | | | |
| FC | | pH | | | | | | | | | | | |
| /32 | | CHL | | | | | | | | | | | |
| Mpp | | YP | | | | | | | | | | | |
| PV | | GELS | | | | | | | | | | | |
| % | | / | | | | | | | | | | | |
| % OIL | | % SOLIDS | | | | | | | | | | | |
| % SANDS | | SP. G. SOLIDS | | | | | | | | | | | |
| MBT | | LCM | | | | | | | | | | | |
| OIL/WATER RATIO | | ELEC STAB | | | | | | | | | | | |
| VOLTS | | BBLS FLUID LOST | | | | | | | | | | | |
| / | | | | | | | | | | | | | |
| COMPRESSOR | | PRIMARY | | | | | | | | | | | |
| NO. UNITS / ON HOLE | | 2 | | | | | | | | | | | |
| 1100 | | 900 | | | | | | | | | | | |
| DISCH PRESS | | 170 | | | | | | | | | | | |
| DISCH TEMP | | DISCH RATE | | | | | | | | | | | |
| 2100 | | W/O N2 | | | | | | | | | | | |
| CFM | | W/N2 | | | | | | | | | | | |
| CFM | | | | | | | | | | | | | |
| MIST INJECTIONS/BHP: | | WATER | | | | | | | | | | | |
| bbls. | | SOAP/HR. | | | | | | | | | | | |
| gal | | COR INHIB | | | | | | | | | | | |
| gal | | KCL | | | | | | | | | | | |
| lbs | | OTHER | | | | | | | | | | | |
| WT IN MUD | | DC'S | | | | | | | | | | | |
| STRING UP - DN - ROT | | SINCE LAST INSPECTION: HRS | | | | | | | | | | | |
| DC | | JAR | | | | | | | | | | | |
| SHOCK TOOL | | | | | | | | | | | | | |
| FUEL USED | | DAILY | | | | | | | | | | | |
| CUM | | SLOW PUMP RATE | | | | | | | | | | | |
| STKS | | PRESSURE | | | | | | | | | | | |
| #1- | | #1- | | | | | | | | | | | |
| #2- | | #2- | | | | | | | | | | | |
| #2- | | #2- | | | | | | | | | | | |
| MUD MATERIAL USED | | WORK DESCRIPTION | | | | | | | | | | | |
| GEL | | 05:00 TO 12:00 NIPPLE UP B.O.P. AND HOOK UP BOOIE LINE AND AIR COMPRESSORS | | | | | | | | | | | |
| CMC | | 12:00 TO 15:00 TEST STACK ALL TEST O.K. | | | | | | | | | | | |
| CAUSTIC | | 15:00 TO 19:00 PICK UP DRILL COLLORS AND TRIP IN HOLE TO PLUG | | | | | | | | | | | |
| SODA ASH | | 19:00 TO 21:00 PATCH HOLE IN FLOW LINE AND DRY OUT HOLE | | | | | | | | | | | |
| | | 21:00 TO 04:30 DRLG. F / 240' TO 1000' | | | | | | | | | | | |
| BOTTOM HOLE ASSEMBLY | | 04:30 TO 05:00 RUN WIRELINE SURVEY | | | | | | | | | | | |
| DESCRIPTION | | ID-IN | | | | | | | | | | | |
| OD-IN | | LENGTH | | | | | | | | | | | |
| TOTAL | | 0 | | | | | | | | | | | |
| 0 | | 0 | | | | | | | | | | | |
| 0 | | 0 | | | | | | | | | | | |
| DAY | | TO DATE | | | | | | | | | | | |
| MUD COST | | 0 | | | | | | | | | | | |
| TANGIBLE | | 8,131 | | | | | | | | | | | |
| INTANGIBLE | | 36,300 | | | | | | | | | | | |
| TOTAL COST | | 44,431 | | | | | | | | | | | |
| Submitted By: | | | | | | | | | | | | | |

CONFIDENTIAL

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| Rig Name/No. | BEEMAN #28 |
| Rig Telephone No. | 0 |
| RKB | 0 |

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|--------------------------|--|----------------------|---------|--|-------------------------------------|----------------|-----|----------------------------|--------------------------|-----------------|--------|-------------|-------|------------------|----|--|
| AFR NO. | | WELL NAME & NO. | | | | | | | | DATE | | | | | | |
| 0 | | FEDERAL #14-6 | | | | | | | | 7/13/05 | | | | | | |
| API NO. | | CURRENT OPERATIONS | | | | | | | | NO. OF DAYS: | | | | | | |
| 0 | | RIG UP TO RUN CASING | | | | | | | | 4 | | | | | | |
| DEVIATION SURVEYS | | | | | | | | | CUMULATIVE ROTATING HRS. | | | LAST CASING | | | | |
| 1/2 @ 2000 ' | | | | | | | | | 32.5 | | | 8 5/8 @ 240 | | | | |
| DRILLED FROM | | | | | FTG MADE | | | HRS. DRILLED | | HRS. TRIP | | HRS. OTHER | | FORM DRILLED | | |
| 1000 TO 2240 | | | | | 1240 | | | 16.5 | | 3 | | 4.5 | | | | |
| BIT NO. | | SIZE | MAKE | TYPE | SER. NO. | JETS | IN | OUT | FEET | HRS | FT/Hr. | WT | RPM | CUTTING | | |
| 2 | | 7 7/8 | | | | | 240 | 2240 | 2000 | 26 | 78 | | | I O D L B G O R | | |
| | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | |
| PUMP #1 | | LINER & STROKE | | | | | SPM | | GPM | | PRESS | | AV:DP | | DC | |
| PUMP #2 | | LINER & STROKE | | | | | SPM | | GPM | | PRESS | | AV:DP | | DC | |
| MUD WT. | | FUN VIS | HP/HT | API | | FC | | PH | CHL | | YP | PV | | GELS | | |
| | | | | | | /32 | | | Mpp | | | | | / | | |
| % OIL | | % SOLIDS | % SANDS | SP. G. SOLIDS | | MBT | | LCM | | OIL/WATER RATIO | | ELEC STAB | | BBLs FLUID LOST | | |
| | | | | | | | | | | | | VOLTS | | / | | |
| COMPRESSOR | | | | PRIMARY | | BOOSTER | | DISCH PRESS | | DISCH TEMP | | DISCH RATE | | W/O N2 W/N2 | | |
| NO. UNITS / ON HOLE | | | | 2 | | 1100 | | 900 | | 175 | | | | CFM CFM | | |
| MIST INJECTIONS/BHP: | | | | WATER | | | | SOAP/HR. | | COR INHIB | | KCL | | OTHER | | |
| | | | | bbls. | | | | gal | | gal | | lbs | | | | |
| WT IN MUD | | DC'S | | STRING UP - DN - ROT | | | | SINCE LAST INSPECTION: HRS | | | | | | SHOCK TOOL | | |
| | | | | | | | | DC JAR | | | | | | | | |
| FUEL USED | | DAILY | | CUM | | SLOW PUMP RATE | | STKS | | PRESSURE | | STKS | | PRESSURE | | |
| | | gal | | gal | | | | #1- | | #1- | | #2- | | #2- | | |
| MUD MATERIAL USED | | | | | | | | | | | | | | WORK DESCRIPTION | | |
| GEL | | | | 05:00 TO 09:00 DRILLING F / 1000 ' TO 1340 ' | | | | | | | | | | | | |
| CMC | | | | 09:00 TO 09:30 CHANGE OUT PRESSURE HOSE | | | | | | | | | | | | |
| CAUSTIC | | | | 09:30 TO 18:00 DRILLING F / 1340 ' TO 2020 ' | | | | | | | | | | | | |
| SODA ASH | | | | 18:00 TO 19:00 RUN WIRELINE SURVEY | | | | | | | | | | | | |
| | | | | 19:00 TO 01:00 DRILLING F / 2020 ' TO 2240 ' | | | | | | | | | | | | |
| BOTTOM HOLE ASSEMBLY | | | | 01:00 TO 04:00 LAY DOWN DRILL STRING | | | | | | | | | | | | |
| DESCRIPTION | | ID-IN | OD-IN | LENGTH | 04:00 TO 05:00 RIG UP TO RUN CASING | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | |
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| TOTAL | | 0 | 0 | 0 | | | | | | | | | | | | |
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| | | | | | | | | | | | | | | | | |
| DAY | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | |
| MUD COST | | | | | 0 | | | | | | | | | | | |
| TANGIBLE | | | | | 8,131 | | | | | | | | | | | |
| INTANGIBLE | | | | | 70,200 | | | | | | | | | | | |
| TOTAL COST | | | | | 78,331 | | | | | | | | | | | |
| Submitted By: C. WILHOIT | | | | | | | | | | | | | | | | |

Daily Drilling Report

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| AFE NO. 0 | | WELL NAME & NO. FEDERAL #14-6 | | | | | | | | | | DATE 7/14/05 | | | | | | | | | | | | | | | |
| API NO. 0 | | CURRENT OPERATIONS RIG MOVE | | | | | | | | | | NO. OF DAYS: 5 | | | | | | | | | | | | | | | |
| DEVIATION SURVEYS | | | | | | | | | | CUMULATIVE ROTATING HRS. | | SPUD DATE: 6/30/05 | | | | | | | | | | | | | | | |
| | | | | | | | | | | LAST CASING 5 1/2" @ 2239 | | | | | | | | | | | | | | | | | |
| DRILLED FROM | | | | | FTG MADE 0 | | | HRS. DRILLED | | HRS. TRIP | | HRS. OTHER | | FORM DRILLED | | | | | | | | | | | | | |
| BIT NO. | | SIZE | | MAKE | | TYPE | | SER. NO. | | JETS | | IN | | OUT | | FEET | | HRS | | FT/HR. | | WT | | RPM | | CUTTING | |
| | | | | | | | | | | | | | | | | | | | | | | | | | | I O D L B G O R | |
| | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| PUMP #1 | | LINER & STROKE | | | | | | | | | | SPM | | GPM | | PRESS | | AV:DP | | DC | | | | | | | |
| PUMP #2 | | LINER & STROKE | | | | | | | | | | SPM | | GPM | | PRESS | | AV:DP | | DC | | | | | | | |
| MUD WT. | | FUN VIS | | HP/HT | | API | | FC | | /32 | | pH | | CHL | | YP | | PV | | GELS | | | | | | | |
| % OIL | | % SOLIDS | | % SANDS | | SP. G. SOLIDS | | MBT | | LCM | | OIL/WATER RATIO | | ELEC STAB | | VOLTS | | BBLs FLUID LOST | | / | | | | | | | |
| COMPRESSOR | | PRIMARY | | BOOSTER | | DISCH PRESS | | DISCH TEMP | | DISCH RATE | | W/O N2 | | W/N2 | | | | | | | | | | | | | |
| NO. UNITS / ON HOLE | | | | | | | | | | | | CFM | | CFM | | | | | | | | | | | | | |
| MIST INJECTIONS/BHP: | | WATER | | bbls. | | SOAP/HR. | | gal | | COR INHIB | | gal | | KCL | | lbs | | OTHER | | | | | | | | | |
| WT IN MUD | | DC'S | | STRING UP - DN - ROT | | SINCE LAST INSPECTION: HRS | | DC | | JAR | | SHOCK TOOL | | | | | | | | | | | | | | | |
| FUEL USED | | DAILY | | CUM | | SLOW PUMP RATE | | STKS | | PRESSURE | | STKS | | PRESSURE | | | | | | | | | | | | | |
| | | gal | | gal | | #1- | | #1- | | #2- | | #2- | | | | | | | | | | | | | | | |
| MUD MATERIAL USED | | | | | | | | | | WORK DESCRIPTION | | | | | | | | | | | | | | | | | |
| GEL | | | | | | | | | | 05:00 TO 07:00 WAIT ON TONG OPERATOR AND POWER TONGS | | | | | | | | | | | | | | | | | |
| CMC | | | | | | | | | | 07:00 TO 08:00 RIG UP POWER TONGS AND SLIPS | | | | | | | | | | | | | | | | | |
| CAUSTIC | | | | | | | | | | 08:00 TO 12:00 RUN 2236 FT. 5 1/2", 15.5#, J-55 . CASING | | | | | | | | | | | | | | | | | |
| SODA ASH | | | | | | | | | | 12:00 TO 14:00 WAIT ON CEMENT TRUCK | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | 14:00 TO 15:00 PUMP 25 BFW and 150 sx Type 1 (33BBLs). Pre-mix grout. 400psi lift. | | | | | | | | | | | | | | | | | |
| BOTTOM HOLE ASSEMBLY | | | | | | | | | | No returns to surface. Csg set at 2239'. Shut in well. | | | | | | | | | | | | | | | | | |
| DESCRIPTION | | ID-IN | | OD-IN | | LENGTH | | 15:00 TO 19:00 RIG DOWN | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | 19:00 TO 07:00 SHUT DOWN FOR NIGHT | | | | | | | | | | | | | | | | | | | |
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| TOTAL | | 0 | | 0 | | 0 | | | | | | | | | | | | | | | | | | | | | |
| | | DAY | | TO DATE | | | | | | | | | | | | | | | | | | | | | | | |
| MUD COST | | | | 0 | | | | | | | | | | | | | | | | | | | | | | | |
| TANGIBLE | | | | 31,641 | | | | | | | | | | | | | | | | | | | | | | | |
| INTANGIBLE | | | | 79,600 | | | | | | | | | | | | | | | | | | | | | | | |
| TOTAL COST | | | | 111,241 | | Submitted By: C. WILHOIT | | | | | | | | | | | | | | | | | | | | | |

CONFIDENTIAL

| | |
|-------------------|------------|
| Rig Name/No. | BEEMAN #28 |
| Rig Telephone No. | 0 |
| RKB | 0 |

[illegible]

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB No. 1004-0137
Expires: March 31, 2007

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE- Other instructions on reverse side.1. Type of Well
☐ Oil Well ☒ Gas Well ☐ Other2. Name of Operator
Elk Production LLC3a. Address
1401 17th. Street, Suite 700, Denver Colorado, 802023b. Phone No. (include area code)
303 296 4505

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

1861' FNL & 461' FWL, SWNW Section 14, T20S, R21E

5. Lease Serial No.

UTU-02140-A

6. If Indian, Allottee or Tribe Name

N/A

7. If Unit or CA/Agreement, Name and/or No.

N/A

8. Well Name and No.

Federal #14-6

9. API Well No.

43019314210000

10. Field and Pool, or Exploratory Area
Greater Cisco

11. County or Parish, State

Grand County, Utah

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

| TYPE OF SUBMISSION | TYPE OF ACTION | | | |
|---|---|---|--|--|
| <input type="checkbox"/> Notice of Intent | <input type="checkbox"/> Acidize | <input type="checkbox"/> Deepen | <input type="checkbox"/> Production (Start/Resume) | <input type="checkbox"/> Water Shut-Off |
| <input checked="" type="checkbox"/> Subsequent Report | <input type="checkbox"/> Alter Casing | <input type="checkbox"/> Fracture Treat | <input type="checkbox"/> Reclamation | <input type="checkbox"/> Well Integrity |
| <input type="checkbox"/> Final Abandonment Notice | <input type="checkbox"/> Casing Repair | <input type="checkbox"/> New Construction | <input type="checkbox"/> Recomplete | <input checked="" type="checkbox"/> Other Update of Operations |
| | <input type="checkbox"/> Change Plans | <input type="checkbox"/> Plug and Abandon | <input type="checkbox"/> Temporarily Abandon | as of 7-25-05 |
| | <input type="checkbox"/> Convert to Injection | <input type="checkbox"/> Plug Back | <input type="checkbox"/> Water Disposal | |

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

Attached are copies of completion reports from July 22-23, 2005. Completion operations began on July 21, 2005. Currently work is being done to drill out cement.

14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed)

Karin Kuhn

Title Engineering Technician

Signature

Date

07/25/2005

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Title

Date

Office

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

RECEIVED

JUL 29 2005

DIV. OF OIL, GAS & MINING

CONFIDENTIAL

ELK RESOURCES, INC.

[illegible]

Prepared by: GD West Consulting

CONFIDENTIAL

ELK RESOURCES, INC.

[illegible]

Prepared by: GD West Consulting



www.pason.com
16100 Table Mountain Parkway Ste 100 • Golden • CO • 80403
720-880-2000 • FAX: 720-880-0016

August 3, 2005

Price Office
Utah Division Of Oil, Gas, & Mining
455 W Rail Road Ave
Price, UT 84501

**RE: ELK RESOURCES, INC.
FEDERAL 14-6
SEC. 14, T20S, R21E
GRAND COUNTY, UT**

43-019-31421

To Whom It May Concern,

Enclosed is the final computer colored log for the above referenced well.

We appreciate the opportunity to be of service to you and look forward to working with you again in the near future.

If you have any questions regarding the enclosed data, please contact us.

Sincerely,

A handwritten signature in black ink, appearing to read "Bill Nagel". The signature is written in a cursive, flowing style.

Bill Nagel
Geology Manager
Pason Systems USA
BN/alb

Encl: 2 Final Computer Colored Logs.

Cc: Rick Kopp, Elk Resources, Inc., Denver, CO.

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AUG 05 2005

DIV. OF OIL, GAS & MINING

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

AMENDED REPORT ☐ FORM 8
(highlight changes)

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

| | | | | | | | | | |
|--|----------------|--|-----------|--|-------------------------|--|---------------------|-------------------------------|-----------------------------------|
| 1a. TYPE OF WELL: OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> DRY <input type="checkbox"/> OTHER _____ | | | | | | 5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-02140-A | | | |
| b. TYPE OF WORK: NEW WELL <input checked="" type="checkbox"/> HORIZ. LATS. <input type="checkbox"/> DEEP-EN <input type="checkbox"/> RE-ENTRY <input type="checkbox"/> DIFF. RESVR. <input type="checkbox"/> OTHER _____ | | | | | | 6. IF INDIAN, ALLOTTEE OR TRIBE NAME NA | | | |
| <div style="border: 1px solid black; padding: 5px; display: inline-block; font-weight: bold; font-size: 1.2em;">CONFIDENTIAL</div> | | | | | | 7. UNIT or CA AGREEMENT NAME NA | | | |
| | | | | | | 8. WELL NAME and NUMBER: Federal 14-6 | | | |
| 2. NAME OF OPERATOR: ELK PRODUCTION LLC | | | | | | 9. API NUMBER: 4301931421 | | | |
| 3. ADDRESS OF OPERATOR: 1401 17th. St., #700 CITY Denver STATE CO ZIP 80202 | | | | PHONE NUMBER: (303) 296-4505 | | 10. FIELD AND POOL, OR WILDCAT Greater Cisco | | | |
| 4. LOCATION OF WELL (FOOTAGES) AT SURFACE: 1861' FNL, 461' FWL AT TOP PRODUCING INTERVAL REPORTED BELOW: 1861' FNL, 461' FWL AT TOTAL DEPTH: 1861' FNL, 461' FWL | | | | | | 11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWNW 14 20S 21E | | | |
| | | | | | | 12. COUNTY GRAND | | | |
| | | | | | | 13. STATE UTAH | | | |
| 14. DATE SPUNDED: 6/30/2005 | | 15. DATE T.D. REACHED: 7/28/2005 | | 16. DATE COMPLETED: 7/28/2005 | | 17. ELEVATIONS (DF, RKB, RT, GL): 5270' GL | | | |
| 18. TOTAL DEPTH: MD 2,894 TVD _____ | | 19. PLUG BACK T.D.: MD _____ TVD _____ | | 20. IF MULTIPLE COMPLETIONS, HOW MANY? * 3 | | 21. DEPTH BRIDGE MD PLUG SET: TVD _____ | | | |
| 22. TYPE ELECTRIC AND OTHER MECHANICAL LOGS RUN (Submit copy of each) GR/Neutron CHL | | | | | | 23. WAS WELL CORED? NO <input checked="" type="checkbox"/> YES <input type="checkbox"/> (Submit analysis) WAS DST RUN? NO <input checked="" type="checkbox"/> YES <input type="checkbox"/> (Submit report) DIRECTIONAL SURVEY? NO <input checked="" type="checkbox"/> YES <input type="checkbox"/> (Submit copy) | | | |
| 24. CASING AND LINER RECORD (Report all strings set in well) | | | | | | | | | |
| HOLE SIZE | SIZE/GRADE | WEIGHT (#/ft.) | TOP (MD) | BOTTOM (MD) | STAGE CEMENTER DEPTH | CEMENT TYPE & NO. OF SACKS | SLURRY VOLUME (BBL) | CEMENT TOP ** | AMOUNT PULLED |
| 12 3/4 | 12.25 | -- | 0 | 40 | | Bag 20 | 4 | NA | 0 |
| 10 3/4 | 8 5/8 J55 | 24# | 0 | 240 | | Type I 150 | 28 | Surf-CIR | 0 |
| 7 7/8 | 5 1/2 J55 | 15.5# | 0 | 2,239 | | Type I 150 | 30 | 1500'-CAL | 0 |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| 25. TUBING RECORD | | | | | | | | | |
| SIZE | DEPTH SET (MD) | PACKER SET (MD) | SIZE | DEPTH SET (MD) | PACKER SET (MD) | SIZE | DEPTH SET (MD) | PACKER SET (MD) | |
| 2 7/8" | 2,218 | | | | | | | | |
| 26. PRODUCING INTERVALS <i>DK-MR</i> | | | | | | | | | |
| FORMATION NAME | TOP (MD) | BOTTOM (MD) | TOP (TVD) | BOTTOM (TVD) | INTERVAL (Top/Bot - MD) | SIZE | NO. HOLES | PERFORATION STATUS | |
| (A) Dakota | 2,218 | | | | 2,239 2,894 | OH | | Open <input type="checkbox"/> | Squeezed <input type="checkbox"/> |
| (B) Morrison | 2,360 | | | | | | | Open <input type="checkbox"/> | Squeezed <input type="checkbox"/> |
| (C) Saltwash | 2,650 | | | | | | | Open <input type="checkbox"/> | Squeezed <input type="checkbox"/> |
| (D) | | | | | | | | Open <input type="checkbox"/> | Squeezed <input type="checkbox"/> |
| 28. ACID, FRACTURE, TREATMENT, CEMENT SQUEEZE, ETC. | | | | | | | | | |
| DEPTH INTERVAL | | AMOUNT AND TYPE OF MATERIAL | | | | | | | |
| 2239-2894 | | Open- Hole Completion | | | | | | | |
| 29. ENCLOSED ATTACHMENTS: | | | | | | | | | |
| <input type="checkbox"/> ELECTRICAL/MECHANICAL LOGS <input type="checkbox"/> GEOLOGIC REPORT <input type="checkbox"/> DST REPORT <input type="checkbox"/> DIRECTIONAL SURVEY | | | | | | | | | |
| <input type="checkbox"/> SUNDRY NOTICE FOR PLUGGING AND CEMENT VERIFICATION <input type="checkbox"/> CORE ANALYSIS <input type="checkbox"/> OTHER: _____ | | | | | | | | | |
| 30. WELL STATUS: Producing | | | | | | | | | |

(5/2000)

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AUG 24 2005

DIV. OF OIL, GAS & MINING

31. INITIAL PRODUCTION

INTERVAL A (As shown in Item #26)

| | | | | | | | | | | | |
|-----------------------------------|-------------|-------------------------|-------------|---------------------|---------------|------------------------------|-----------------|-------------------|-------------------|-----------------------|--------------------------|
| ST. INITIAL PRODUCTION | | | | | | | | | | | |
| DATE FIRST PRODUCED: 7/27/2005 | | TEST DATE: 7/27/2005 | | HOURS TESTED: 21 | | TEST PRODUCTION RATES: → | | OIL - BBL: 0 | GAS - MCF: 222 | WATER - BBL: 0 | PROD. METHOD: Flowing |
| CHOKE SIZE: 28/64" | TBG. PRESS. | CSG. PRESS. | API GRAVITY | BTU - GAS | GAS/OIL RATIO | 24 HR PRODUCTION RATES: → | OIL - BBL: 0 | GAS - MCF: 222 | WATER - BBL: 0 | INTERVAL STATUS: A | |

INTERVAL B (As shown in Item #26)

| | | | | | | | | | | | | | | | | | | | | | |
|-----------------------------------|--|------------------------|--|---------------------|--|-----------------------------|--|-----------------|--|-------------------|--|------------------------------|--|--------------------------|--|-------------------|--|-------------------|--|---------------------------|--|
| DATE FIRST PRODUCED: 7/28/2005 | | TEST DATE: 8/2/2005 | | HOURS TESTED: 24 | | TEST PRODUCTION RATES: → | | OIL – BBL: 0 | | GAS – MCF: 220 | | WATER – BBL: 0 | | PROD. METHOD: Flowing | | | | | | | |
| CHOKE SIZE: 24/64" | | TBG. PRESS. | | CSG. PRESS. 120 | | API GRAVITY | | BTU – GAS | | GAS/OIL RATIO | | 24 HR PRODUCTION RATES: → | | OIL – BBL: 0 | | GAS – MCF: 220 | | WATER – BBL: 0 | | INTERVAL STATUS: A,B,C | |

INTERVAL C (As shown in Item #26)

| | | | | | | | | | | |
|----------------------|-------------|-------------|-------------|---------------|---------------|------------------------------|------------|------------|--------------|------------------|
| DATE FIRST PRODUCED: | | TEST DATE: | | HOURS TESTED: | | TEST PRODUCTION RATES: → | OIL - BBL: | GAS - MCF: | WATER - BBL: | PROD. METHOD: |
| CHOKE SIZE: | TBG. PRESS. | CSG. PRESS. | API GRAVITY | BTU - GAS | GAS/OIL RATIO | 24 HR PRODUCTION RATES: → | OIL - BBL: | GAS - MCF: | WATER - BBL: | INTERVAL STATUS: |

INTERVAL D (As shown in Item #26)

| | | | | | | | | | | |
|----------------------|-------------|-------------|-------------|---------------|---------------|------------------------------|------------|------------|--------------|------------------|
| DATE FIRST PRODUCED: | | TEST DATE: | | HOURS TESTED: | | TEST PRODUCTION RATES: → | OIL – BBL: | GAS – MCF: | WATER – BBL: | PROD. METHOD: |
| CHOKE SIZE: | TBG. PRESS. | CSG. PRESS. | API GRAVITY | BTU – GAS | GAS/OIL RATIO | 24 HR PRODUCTION RATES: → | OIL – BBL: | GAS – MCF: | WATER – BBL: | INTERVAL STATUS: |

32. DISPOSITION OF GAS (Sold, Used for Fuel, Vented, Etc.)

33. SUMMARY OF POROUS ZONES (Include Aquifers):

Show all important zones of porosity and contents thereof: Cored intervals and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures and recoveries.

34. FORMATION (Log) MARKERS:

| Formation | Top (MD) | Bottom (MD) | Descriptions, Contents, etc. | Name | Top (Measured Depth) |
|-----------|-------------|----------------|------------------------------|----------------------|-------------------------|
| | | | | Graneros | 2,191 |
| | | | | Dakota | 2,218 |
| | | | | Morrison-BrushyBasin | 2,360 |
| | | | | Morrison-Saltwash | 2,650 |

35. ADDITIONAL REMARKS (Include plugging procedure)

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records.

NAME (PLEASE PRINT) Karin Kuhn

TITLE Engineering Technician

SIGNATURE

DATE 8/22/2005

This report must be submitted within 30 days of

- completing or plugging a new well
- drilling horizontal laterals from an existing well bore
- recompleting to a different producing formation

- reentering a previously plugged and abandoned well
- significantly deepening an existing well bore below the previous bottom-hole depth
- drilling hydrocarbon exploratory holes, such as core samples and stratigraphic tests

* ITEM 20: Show the number of completions if production is measured separately from two or more formations.

** ITEM 24: Cement Top - Show how reported top(s) of cement were determined (circulated (CIR), calculated (CAL), cement bond log (CBL), temperature survey (TS)).

Send to: Utah Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801

Phone: 801-538-5340

Fax: 801-359-3940

Division of Oil, Gas and Mining
OPERATOR CHANGE WORKSHEET (for state use only)

ROUTING

1. DJJ

2. CDW

X - Change of Operator (Well Sold)

Operator Name Change/Merger

The operator of the well(s) listed below has changed, effective:

8/1/2011

FROM: (Old Operator):

N2650-Elk Production, LLC
 1401 17th Street, Suite 700
 Denver, CO 80202

Phone: 1 (303) 296-4505

TO: (New Operator):

N3785-SEP - Cisco Dome LLC
 1245 Brickyard Rd, Suite 210
 Salt Lake City, UT 84106

Phone: 1 (435) 940-9001

CA No.

Unit:

| WELL NAME | SEC | TWN | RNG | API NO | ENTITY NO | LEASE TYPE | WELL TYPE | WELL STATUS |
|------------------------------|-----|-----|-----|--------|-----------|------------|-----------|-------------|
| SEE ATTACHED LIST - 54 WELLS | | | | | | | | |
| | | | | | | | | |

OPERATOR CHANGES DOCUMENTATION

Enter date after each listed item is completed

- (R649-8-10) Sundry or legal documentation was received from the **FORMER** operator on: 9/6/2011
- (R649-8-10) Sundry or legal documentation was received from the **NEW** operator on: 9/6/2011
- The new company was checked on the **Department of Commerce, Division of Corporations Database** on: 7/18/2011
- Is the new operator registered in the State of Utah: Business Number: 7934251-0160
- (R649-9-2)Waste Management Plan has been received on: Requested 9/21/2011
- Inspections of LA PA state/fee well sites complete on: n/a
- Reports current for Production/Disposition & Sundries on: ok
- Federal and Indian Lease Wells:** The BLM and or the BIA has approved the merger, name change, or operator change for all wells listed on Federal or Indian leases on: BLM not yet BIA n/a
- Federal and Indian Units:**
The BLM or BIA has approved the successor of unit operator for wells listed on: n/a
- Federal and Indian Communization Agreements ("CA"):**
The BLM or BIA has approved the operator for all wells listed within a CA on: n/a
- Underground Injection Control ("UIC")** approved UIC Form 5, **Transfer of Authority to Inject**, for the enhanced/secondary recovery unit/project for the water disposal well(s) listed on: n/a

DATA ENTRY:

- Changes entered in the **Oil and Gas Database** on: 9/20/2011
- Changes have been entered on the **Monthly Operator Change Spread Sheet** on: 9/20/2011
- Bond information entered in RBDMS on: 9/6/2011
- Fee/State wells attached to bond in RBDMS on: 9/21/2011
- Injection Projects to new operator in RBDMS on: n/a
- Receipt of Acceptance of Drilling Procedures for APD/New on: n/a

BOND VERIFICATION:

- Federal well(s) covered by Bond Number: UTB000465
- Indian well(s) covered by Bond Number: n/a
- (R649-3-1) The **NEW** operator of any state/fee well(s) listed covered by Bond Number 1481053, 1481056 and 1481054
- The **FORMER** operator has requested a release of liability from their bond on: not yet

LEASE INTEREST OWNER NOTIFICATION:

- (R649-2-10) The **NEW** operator of the fee wells has been contacted and informed by a letter from the Division of their responsibility to notify all interest owners of this change on: n/a

COMMENTS:

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

| | | |
|--|--|---|
| 1. TYPE OF WELL OIL WELL <input checked="" type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____ | | 5. LEASE DESIGNATION AND SERIAL NUMBER: |
| 2. NAME OF OPERATOR: SEP - CISCO DOME, LLC | | 6. IF INDIAN, ALLOTTEE OR TRIBE NAME: |
| 3. ADDRESS OF OPERATOR: 1245 Brickyard Rd., Ste 210 CITY Salt Lake City STATE UT ZIP 84106 | | 7. UNIT or CA AGREEMENT NAME: |
| PHONE NUMBER: (435) 940-9001 | | 8. WELL NAME and NUMBER: See attached list |
| 4. LOCATION OF WELL FOOTAGES AT SURFACE: | | 9. API NUMBER: |
| QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: | | 10. FIELD AND POOL, OR WILDCAT: |
| COUNTY: Grand County | | STATE: UTAH |

| 11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA | | | |
|--|---|---|--|
| TYPE OF SUBMISSION | TYPE OF ACTION | | |
| <input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____ | <input type="checkbox"/> ACIDIZE | <input type="checkbox"/> DEEPEN | <input type="checkbox"/> REPERFORATE CURRENT FORMATION |
| | <input type="checkbox"/> ALTER CASING | <input type="checkbox"/> FRACTURE TREAT | <input type="checkbox"/> SIDETRACK TO REPAIR WELL |
| | <input type="checkbox"/> CASING REPAIR | <input type="checkbox"/> NEW CONSTRUCTION | <input type="checkbox"/> TEMPORARILY ABANDON |
| | <input type="checkbox"/> CHANGE TO PREVIOUS PLANS | <input checked="" type="checkbox"/> OPERATOR CHANGE | <input type="checkbox"/> TUBING REPAIR |
| | <input type="checkbox"/> CHANGE TUBING | <input type="checkbox"/> PLUG AND ABANDON | <input type="checkbox"/> VENT OR FLARE |
| <input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____ | <input type="checkbox"/> CHANGE WELL NAME | <input type="checkbox"/> PLUG BACK | <input type="checkbox"/> WATER DISPOSAL |
| | <input type="checkbox"/> CHANGE WELL STATUS | <input type="checkbox"/> PRODUCTION (START/RESUME) | <input type="checkbox"/> WATER SHUT-OFF |
| | <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS | <input type="checkbox"/> RECLAMATION OF WELL SITE | <input checked="" type="checkbox"/> OTHER: <u>Change of Operator</u> |
| | <input type="checkbox"/> CONVERT WELL TYPE | <input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION | |

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Previous Operator:
Elk Production, LLC
1401 7th Street, Suite 700
Denver, Colorado 80202
303-296-4505

New Operator:
SEP - CISCO DOME, LLC
1245 Brickyard Rd., Ste. 210
Salt Lake City, UT
435-940-9001

Utah DOGM Bond # Thunderbird 2: 1481053-1481056; State 32-1; 1481054
BLM Bond # 4TB000465

effective 8/1/2011

SEP - CISCO DOME, LLC representative:

Name (Please Print): David Lillywhite

Signature

Title: President

Date

NAME (PLEASE PRINT) John Whisler

TITLE Chief Executive Officer

SIGNATURE

DATE

(This space for State use only)

APPROVED 9/30/2011

Earlene Russell

Division of Oil, Gas and Mining (See Instructions on Reverse Side)
Earlene Russell, Engineering Technician

(5/2000)

RECEIVED

SEP 06 2011

DIV. OF OIL, GAS & MINING

ELK PRODUCTION, LLC (N2650) to SEP-Cisco Dome, LLC (N3785)
effective 8/1/2011

| well name | sec | twp | rng | api | entity | well | stat |
|---------------|-----|------|------|------------|--------|------|------|
| THUNDERBIRD 1 | 32 | 200S | 240E | 4301930058 | 10339 | OW | P |
| FEDERAL 19-3 | 19 | 200S | 220E | 4301930302 | 8201 | GW | TA |
| FEDERAL 31-1A | 31 | 200S | 220E | 4301930308 | 8204 | GW | P |
| STATE 32-1 | 32 | 200S | 220E | 4301930347 | 8206 | GW | P |
| FEDERAL 13-1 | 13 | 200S | 210E | 4301930348 | 8146 | GW | TA |
| FEDERAL 23-1 | 23 | 200S | 210E | 4301930355 | 11393 | GW | P |
| FEDERAL 25-1 | 25 | 200S | 210E | 4301930359 | 11394 | GW | S |
| CALF CANYON 5 | 11 | 200S | 210E | 4301930393 | 2490 | OW | TA |
| FEDERAL 30-1 | 30 | 200S | 220E | 4301930429 | 8203 | GW | S |
| FEDERAL 14-1 | 14 | 200S | 210E | 4301930430 | 8169 | GW | P |
| FEDERAL 24-3 | 24 | 200S | 210E | 4301930432 | 11395 | GW | S |
| FEDERAL 14-1A | 14 | 200S | 210E | 4301930436 | 8150 | GW | TA |
| FEDERAL 1-10 | 10 | 200S | 210E | 4301930484 | 8141 | GW | S |
| FEDERAL 11-1 | 11 | 200S | 210E | 4301930485 | 8142 | GW | P |
| FEDERAL 14-2 | 14 | 200S | 210E | 4301930487 | 8151 | GW | S |
| FEDERAL 14-3 | 14 | 200S | 210E | 4301930488 | 8152 | GW | S |
| FEDERAL 24-2 | 24 | 200S | 210E | 4301930530 | 8159 | GW | S |
| FEDERAL 25-3 | 25 | 200S | 210E | 4301930575 | 8170 | GW | S |
| FEDERAL 15-1 | 15 | 200S | 210E | 4301930585 | 11391 | GW | TA |
| FEDERAL 23-2 | 23 | 200S | 210E | 4301930586 | 8140 | GW | P |
| FEDERAL 25-2 | 25 | 200S | 210E | 4301930587 | 11392 | OW | S |
| FEDERAL 23-3 | 23 | 200S | 210E | 4301930588 | 8157 | GW | S |
| FEDERAL 22-1 | 22 | 200S | 210E | 4301930625 | 8156 | GW | P |
| FEDERAL 15-2 | 15 | 200S | 210E | 4301930636 | 8154 | GW | S |
| FEDERAL 15-3 | 15 | 200S | 210E | 4301930637 | 8155 | GW | S |
| FEDERAL 13-2 | 13 | 200S | 210E | 4301930673 | 8147 | GW | S |
| FEDERAL 25-4 | 25 | 200S | 210E | 4301930743 | 8181 | GW | S |
| FEDERAL 23-4 | 23 | 200S | 210E | 4301930760 | 8158 | GW | P |
| FEDERAL 18-1 | 18 | 200S | 220E | 4301930875 | 8200 | GW | S |
| FEDERAL 14-4 | 14 | 200S | 210E | 4301930878 | 8153 | GW | S |
| FEDERAL 12-1 | 12 | 200S | 210E | 4301930881 | 8145 | GW | S |
| FEDERAL 11-2 | 11 | 200S | 210E | 4301930882 | 8143 | GW | S |
| FEDERAL 13-3 | 13 | 200S | 210E | 4301930883 | 8148 | GW | TA |
| FEDERAL 11-3 | 11 | 200S | 210E | 4301930884 | 8144 | GW | S |
| FEDERAL 13-4 | 13 | 200S | 210E | 4301930885 | 8149 | GW | TA |
| FEDERAL 15-4 | 15 | 200S | 210E | 4301930887 | 10140 | GW | TA |
| FEDERAL 19-1A | 19 | 200S | 220E | 4301930896 | 8201 | GW | TA |
| FEDERAL 24-4 | 24 | 200S | 210E | 4301930900 | 8208 | GW | TA |
| FED 3-675 | 10 | 200S | 210E | 4301931094 | 303 | GW | S |
| FEDERAL 10-2 | 10 | 200S | 210E | 4301931210 | 8207 | GW | TA |
| FEDERAL 14-6 | 14 | 200S | 210E | 4301931421 | 14803 | GW | P |
| FEDERAL 14-7 | 14 | 200S | 210E | 4301931422 | 14780 | GW | P |
| FEDERAL 24-6 | 24 | 200S | 210E | 4301931423 | 14779 | GW | S |
| FEDERAL 23-6 | 23 | 200S | 210E | 4301931424 | 14848 | GW | S |
| FEDERAL 15-8 | 15 | 200S | 210E | 4301931434 | 15006 | GW | P |
| FEDERAL 15-7 | 15 | 200S | 210E | 4301931435 | 14868 | GW | S |
| FEDERAL 14-5 | 14 | 200S | 210E | 4301931436 | 14805 | GW | P |
| FEDERAL 11-6 | 11 | 200S | 210E | 4301931437 | 14869 | GW | P |
| FEDERAL 14-8 | 14 | 200S | 210E | 4301931439 | 14804 | GW | P |
| FEDERAL 22-2 | 22 | 200S | 210E | 4301931440 | 14847 | GW | S |
| FEDERAL 15-5 | 15 | 200S | 210E | 4301931441 | 14952 | GW | S |
| FEDERAL 23-5 | 23 | 200S | 210E | 4301931442 | 15007 | GW | P |
| FEDERAL 24-5 | 24 | 200S | 210E | 4301931443 | 14960 | GW | P |
| FEDERAL 25-5 | 25 | 200S | 210E | 4301931444 | 14849 | GW | S |

Division of Oil, Gas and Mining
OPERATOR CHANGE WORKSHEET (for state use only)

ROUTING

1. DJJ

2. CDW

X - Change of Operator (Well Sold)

Operator Name Change/Merger

The operator of the well(s) listed below has changed, effective:

8/1/2011

| | |
|---|--|
| FROM: (Old Operator): N2650-Elk Production, LLC 1401 17th Street, Suite 700 Denver, CO 80202 Phone: 1 (303) 296-4505 | TO: (New Operator): N3785-SEP - Cisco Dome LLC 1245 Brickyard Rd, Suite 210 Salt Lake City, UT 84106 Phone: 1 (435) 940-9001 |
|---|--|

| CA No. | | | | Unit: | | CALF CANYON | | |
|------------------------------|-------------|--|--|--------|-----------|-------------|-----------|-------------|
| WELL NAME | SEC TWN RNG | | | API NO | ENTITY NO | LEASE TYPE | WELL TYPE | WELL STATUS |
| SEE ATTACHED LIST - 10 WELLS | | | | | | | | |
| | | | | | | | | |

OPERATOR CHANGES DOCUMENTATION

Enter date after each listed item is completed

- (R649-8-10) Sundry or legal documentation was received from the **FORMER** operator on: 9/6/2011
- (R649-8-10) Sundry or legal documentation was received from the **NEW** operator on: 9/6/2011
- The new company was checked on the **Department of Commerce, Division of Corporations Database** on: 7/18/2011
- Is the new operator registered in the State of Utah: Business Number: 7934251-0160
- (R649-9-2) Waste Management Plan has been received on: Requested 9/21/2011
- Inspections of LA PA state/fee well sites complete on: n/a
- Reports current for Production/Disposition & Sundries on: ok
- Federal and Indian Lease Wells:** The BLM and or the BIA has approved the merger, name change, or operator change for all wells listed on Federal or Indian leases on: BLM not yet BIA n/a
- Federal and Indian Units:**
The BLM or BIA has approved the successor of unit operator for wells listed on: n/a
- Federal and Indian Communization Agreements ("CA"):**
The BLM or BIA has approved the operator for all wells listed within a CA on: n/a
- Underground Injection Control ("UIC")** approved UIC Form 5, **Transfer of Authority to Inject**, for the enhanced/secondary recovery unit/project for the water disposal well(s) listed on: n/a

DATA ENTRY:

- Changes entered in the **Oil and Gas Database** on: 9/20/2011
- Changes have been entered on the **Monthly Operator Change Spread Sheet** on: 9/20/2011
- Bond information entered in RBDMS on: 9/6/2011
- Fee/State wells attached to bond in RBDMS on: 9/21/2011
- Injection Projects to new operator in RBDMS on: n/a
- Receipt of Acceptance of Drilling Procedures for APD/New on: n/a

BOND VERIFICATION:

- Federal well(s) covered by Bond Number: UTB000465
- Indian well(s) covered by Bond Number: n/a
- (R649-3-1) The **NEW** operator of any state/fee well(s) listed covered by Bond Number
- The **FORMER** operator has requested a release of liability from their bond on: not yet

LEASE INTEREST OWNER NOTIFICATION:

- (R649-2-10) The **NEW** operator of the fee wells has been contacted and informed by a letter from the Division of their responsibility to notify all interest owners of this change on: n/a

COMMENTS:

ELK PRODUCTION, LLC (N2650) to SEP-Cisco Dome, LLC (N3785)
effective 8/1/2011

| well_name | sec | tpw | rng | api | entity | well | stat |
|--------------------|-----|------|------|------------|--------|------|------|
| CALF CANYON 1 | 03 | 200S | 210E | 4301930298 | 11666 | OW | S |
| FEDERAL 675-1 | 10 | 200S | 210E | 4301930376 | 11666 | OW | S |
| CALF CANYON 4 | 11 | 200S | 210E | 4301930392 | 2515 | OW | S |
| CALF CYN 7 | 03 | 200S | 210E | 4301931168 | 11666 | GW | S |
| FEDERAL 675 4 | 10 | 200S | 210E | 4301931187 | 11666 | OW | P |
| CALF CANYON 8 | 03 | 200S | 210E | 4301931197 | 16780 | GW | S |
| FEDERAL 675 5 | 10 | 200S | 210E | 4301931199 | 11666 | OW | S |
| CALF CANYON FED 10 | 03 | 200S | 210E | 4301931203 | 11666 | OW | S |
| FEDERAL 675-6 | 09 | 200S | 210E | 4301931208 | 11666 | OW | S |
| CALF CANYON 11 | 03 | 200S | 210E | 4301931209 | 15278 | GW | S |

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OM B No. 1004-0135
Expires: January 31, 2004

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE- Other instructions on reverse side.

1. Type of Well
☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator
SEP - CISCO DOME, LLC

3a. Address

3b. Phone No. (include area code)

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

T20S-R21E
Sec 14- SWNW

5. Lease Serial No.
UTU-02140-A

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

8. Well Name and No.
Federal 14-6

9. API Well No.
4301931421

10. Field and Pool, or Exploratory Area

11. County or Parish, State
Grand County, Utah

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

| TYPE OF SUBMISSION | TYPE OF ACTION | | | |
|---|---|---|--|--|
| <input type="checkbox"/> Notice of Intent | <input type="checkbox"/> Acidize | <input type="checkbox"/> Deepen | <input type="checkbox"/> Production (Start/Resume) | <input type="checkbox"/> Water Shut-Off |
| <input type="checkbox"/> Subsequent Report | <input type="checkbox"/> Alter Casing | <input type="checkbox"/> Fracture Treat | <input type="checkbox"/> Reclamation | <input type="checkbox"/> Well Integrity |
| <input type="checkbox"/> Final Abandonment Notice | <input type="checkbox"/> Casing Repair | <input type="checkbox"/> New Construction | <input type="checkbox"/> Recomplete | <input checked="" type="checkbox"/> Other Change of Operator |
| | <input type="checkbox"/> Change Plans | <input type="checkbox"/> Plug and Abandon | <input type="checkbox"/> Temporarily Abandon | |
| | <input type="checkbox"/> Convert to Injection | <input type="checkbox"/> Plug Back | <input type="checkbox"/> Water Disposal | |

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

Change of Operator

Previous Operator:
Elk Production, LLC
1401 17th Street, Ste 700
Denver, Colorado 80202
303-296-4505

New Operator:
SEP - CISCO DOME, LLC
1245 Brickyard Rd., Ste. 210
Salt Lake City, Utah 84106
435-940-9001

Please be advised that SEP-CISCO DOME, LLC is responsible under the terms and conditions of the lease for the operations conducted upon the leased lands. Bond coverage is provided by UTB 0004625.

14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)

David Lillywhite

Title President

Signature

Date

7/28/11

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

ACCEPTED

Title Division of Resources

Date

9/19/11

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Mcab Field Office
Office

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

Conditions Attached

RECEIVED

OCT 03 2011

DIV. OF OIL, GAS & MINING

SEP-Cisco Dome, LLC

Lease UTU02140A

Wells 1-10, 10-2, 11-1, 11-2, 11-3, 11-6, 12-1, 13-1, 13-2, 13-3, 13-4, 14-1, 14-1A, 14-2, 14-5, 14-6, 14-7, 15-1, 15-2, 15-3, 15-4, 15-5, 15-7, 15-8, 22-1 and 22-2

Sections 10, 11, 12, 13, 14, 15 and 22, T20S, R21E

Grand County, Utah

CONDITIONS OF ACCEPTANCE

Acceptance of these applications does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Be advised that SEP-Cisco Dome, LLC is considered to be the operator of the above wells effective September 1, 2011, and is responsible under the terms and conditions of the lease for the operations conducted on the leased lands.

Bond coverage for these wells is provided by UTB000465 (Principal – SEP-Cisco Dome, LLC) as provided for in 43 CFR 3104.2.

This office will hold the aforementioned operator and bond liable until the provisions of 43CFR 3106.7-2 continuing responsibility are met.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED
FEB 07 2013

FORM APPROVED
OMB No. 1004-0137
Expires: July 31, 2010

SUNDRY NOTICES AND REPORTS ON WELLS OIL, GAS & MINING
Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

5. Lease Serial No.
UTU-02140-A

6. If Indian, Allottee or Tribe Name
NA

SUBMIT IN TRIPLICATE – Other instructions on page 2.

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator
SEP - Cisco Dome, LLC

3a. Address
1245 Brickyard Road, Suite 210
Salt Lake City, UT 84106

3b. Phone No. (include area code)
435-940-9001

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
1861' FNL 461' FWL
SWNW Sec. 14, T20S, R21E, SLM

7. If Unit of CA/Agreement, Name and/or No.
NA

8. Well Name and No.
FEDERAL 14-6

9. API Well No.
43-019-31421

10. Field and Pool or Exploratory Area
Greater Cisco

11. Country or Parish, State
Grand County, Utah

12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA

| TYPE OF SUBMISSION | TYPE OF ACTION | | | |
|--|---|---|---|---|
| <input checked="" type="checkbox"/> Notice of Intent | <input type="checkbox"/> Acidize | <input type="checkbox"/> Deepen | <input checked="" type="checkbox"/> Production (Start/Resume) | <input type="checkbox"/> Water Shut-Off |
| <input type="checkbox"/> Subsequent Report | <input type="checkbox"/> Alter Casing | <input type="checkbox"/> Fracture Treat | <input type="checkbox"/> Reclamation | <input type="checkbox"/> Well Integrity |
| <input type="checkbox"/> Final Abandonment Notice | <input type="checkbox"/> Casing Repair | <input type="checkbox"/> New Construction | <input type="checkbox"/> Recomplete | <input type="checkbox"/> Other _____ |
| | <input type="checkbox"/> Change Plans | <input type="checkbox"/> Plug and Abandon | <input type="checkbox"/> Temporarily Abandon | |
| | <input type="checkbox"/> Convert to Injection | <input type="checkbox"/> Plug Back | <input type="checkbox"/> Water Disposal | |

13. Describe Proposed or Completed Operation: Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.)

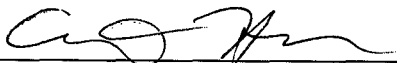
This well resumed production on December 4, 2012.

Accepted by the
Utah Division of
Oil, Gas and Mining
For Record Only

14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed)
Crystal Hammer

Title Geology Technician

Signature



Date 02/05/2013

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Date

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

Division of Oil, Gas and Mining

Operator Change/Name Change Worksheet-for State use only

Effective Date: 9/1/2014

| FORMER OPERATOR: | NEW OPERATOR: |
|--|---|
| SEP CISCO DOME, LLC N3785 10447 SOUTH JORDAN GATEWAY SOUTH JORDAN UT 84095 801-657-5780 | ROSE PETROLEUM (UTAH), LLC N4095 383 INVERNESS PARKWAY SUITE 330 ENGLEWOOD CO 80112 720-390-3860 |
| CA Number(s): | Unit(s): |

WELL INFORMATION:

| Well Name | Sec | TWN | RNG | API | Entity | Mineral | Surface | Type | Status |
|-------------------|-----|-----|-----|-----|--------|---------|---------|------|--------|
| See Attached List | | | | | | | | | |

OPERATOR CHANGES DOCUMENTATION:

1. Sundry or legal documentation was received from the **FORMER** operator on: 1/26/2015
2. Sundry or legal documentation was received from the **NEW** operator on: 1/26/2015
3. New operator Division of Corporations Business Number: 9009626-0161

REVIEW:

1. Surface Agreement Sundry from **NEW** operator on Fee Surface wells received on: N/A
2. Receipt of Acceptance of Drilling Procedures for APD/New on: N/A
3. Reports current for Production/Disposition & Sundries: 1/23/2015
4. OPS/SI/TA well(s) reviewed for full cost bonding: N/A
5. UIC5 on all disposal/injection/storage well(s) approved on: N/A
6. Surface Facility(s) included in operator change: NONE
7. Inspections of PA state/fee well sites complete on (only upon operators request): N/A

NEW OPERATOR BOND VERIFICATION:

1. Federal well(s) covered by Bond Number: 1001696855
2. Indian well(s) covered by Bond Number: N/A
3. State/fee well(s) covered by Bond Number(s): N/A

DATA ENTRY:

1. Well(s) update in the **OGIS** on: 1/27/2015
2. Entity Number(s) updated in **OGIS** on: 1/27/2015
3. Unit(s) operator number update in **OGIS** on: N/A
4. Surface Facilities update in **OGIS** on: N/A
5. State/Fee well(s) attached to bond(s) in **RBDMS** on: N/A
6. Surface Facilities update in **RBDMS** on: N/A

LEASE INTEREST OWNER NOTIFICATION:

1. The **NEW** operator of the Fee (Mineral) wells has been contacted and informed by a letter from the Division of their responsibility to notify all interest owners of this change on: N/A

COMMENTS:

SEP Cisco Dome, LLC N3785
to Rose Petroleum (Utah), LLC N4095
Effective 9/1/2014

| Well Name | Sec | TWN | RNG | API | Entity | Mineral | Surface | Type | Status |
|-----------------|-----|------|------|------------|--------|---------|---------|------|--------|
| UNION GOVT II-1 | 24 | 200S | 210E | 4301915107 | 680 | Federal | State | GW | P |
| FEDERAL 31-1A | 31 | 200S | 220E | 4301930308 | 8204 | Federal | Federal | GW | P |
| FEDERAL 23-1 | 23 | 200S | 210E | 4301930355 | 11393 | Federal | Federal | GW | P |
| FEDERAL 14-1 | 14 | 200S | 210E | 4301930430 | 8169 | Federal | Federal | GW | P |
| FEDERAL 11-1 | 11 | 200S | 210E | 4301930485 | 8142 | Federal | Federal | GW | P |
| FEDERAL 23-2 | 23 | 200S | 210E | 4301930586 | 8140 | Federal | Federal | GW | P |
| FEDERAL 14-4 | 14 | 200S | 210E | 4301930878 | 8153 | Federal | Federal | GW | P |
| FEDERAL 11-3 | 11 | 200S | 210E | 4301930884 | 8144 | Federal | Federal | GW | P |
| FEDERAL 14-6 | 14 | 200S | 210E | 4301931421 | 14803 | Federal | Federal | GW | P |
| FEDERAL 14-7 | 14 | 200S | 210E | 4301931422 | 14780 | Federal | Federal | GW | P |
| FEDERAL 15-8 | 15 | 200S | 210E | 4301931434 | 15006 | Federal | Federal | GW | P |
| FEDERAL 11-6 | 11 | 200S | 210E | 4301931437 | 14869 | Federal | Federal | GW | P |
| FEDERAL 14-8 | 14 | 200S | 210E | 4301931439 | 14804 | Federal | Federal | GW | P |
| FEDERAL 22-2 | 22 | 200S | 210E | 4301931440 | 14847 | Federal | Federal | GW | P |
| FEDERAL 24-5 | 24 | 200S | 210E | 4301931443 | 14960 | Federal | Federal | GW | P |
| FEDERAL 13-1 | 13 | 200S | 210E | 4301930348 | 8146 | Federal | Federal | GW | S |
| FEDERAL 25-1 | 25 | 200S | 210E | 4301930359 | 11394 | Federal | State | GW | S |
| FEDERAL 30-1 | 30 | 200S | 220E | 4301930429 | 8203 | Federal | Federal | GW | S |
| FEDERAL 24-3 | 24 | 200S | 210E | 4301930432 | 11395 | Federal | Federal | GW | S |
| FEDERAL 14-2 | 14 | 200S | 210E | 4301930487 | 8151 | Federal | Federal | GW | S |
| FEDERAL 14-3 | 14 | 200S | 210E | 4301930488 | 8152 | Federal | Federal | GW | S |
| FEDERAL 24-2 | 24 | 200S | 210E | 4301930530 | 8159 | Federal | Federal | GW | S |
| FEDERAL 25-3 | 25 | 200S | 210E | 4301930575 | 8170 | Federal | Federal | GW | S |
| FEDERAL 25-2 | 25 | 200S | 210E | 4301930587 | 11392 | Federal | Federal | OW | S |
| FEDERAL 23-3 | 23 | 200S | 210E | 4301930588 | 8157 | Federal | Federal | GW | S |
| FEDERAL 22-1 | 22 | 200S | 210E | 4301930625 | 8156 | Federal | Federal | GW | S |
| FEDERAL 15-2 | 15 | 200S | 210E | 4301930636 | 8154 | Federal | Federal | GW | S |
| FEDERAL 15-3 | 15 | 200S | 210E | 4301930637 | 8155 | Federal | Federal | GW | S |
| FEDERAL 13-2 | 13 | 200S | 210E | 4301930673 | 8147 | Federal | Federal | GW | S |
| FEDERAL 25-4 | 25 | 200S | 210E | 4301930743 | 8181 | Federal | State | GW | S |
| FEDERAL 23-4 | 23 | 200S | 210E | 4301930760 | 8158 | Federal | Federal | GW | S |
| FEDERAL 12-1 | 12 | 200S | 210E | 4301930881 | 8145 | Federal | Federal | GW | S |
| FEDERAL 11-2 | 11 | 200S | 210E | 4301930882 | 8143 | Federal | Federal | GW | S |
| FEDERAL 24-1 | 24 | 200S | 210E | 4301931010 | 11189 | Federal | Federal | GW | S |
| FEDERAL 10-2A | 10 | 200S | 210E | 4301931400 | 14043 | Federal | Federal | GW | S |
| FEDERAL 24-6 | 24 | 200S | 210E | 4301931423 | 14779 | Federal | Federal | GW | S |
| FEDERAL 23-6 | 23 | 200S | 210E | 4301931424 | 14848 | Federal | Federal | GW | S |
| FEDERAL 15-7 | 15 | 200S | 210E | 4301931435 | 14868 | Federal | Federal | GW | S |
| FEDERAL 14-5 | 14 | 200S | 210E | 4301931436 | 14805 | Federal | Federal | GW | S |
| FEDERAL 15-5 | 15 | 200S | 210E | 4301931441 | 14952 | Federal | Federal | GW | S |
| FEDERAL 23-5 | 23 | 200S | 210E | 4301931442 | 15007 | Federal | Federal | GW | S |
| FEDERAL 25-5 | 25 | 200S | 210E | 4301931444 | 14849 | Federal | Federal | GW | S |
| FEDERAL 19-3 | 19 | 200S | 220E | 4301930302 | 8201 | Federal | Federal | GW | TA |
| FEDERAL 14-1A | 14 | 200S | 210E | 4301930436 | 8150 | Federal | Federal | GW | TA |
| FEDERAL 15-1 | 15 | 200S | 210E | 4301930585 | 11391 | Federal | Federal | GW | TA |
| FEDERAL 13-4 | 13 | 200S | 210E | 4301930885 | 8149 | Federal | Federal | GW | TA |
| FEDERAL 19-1A | 19 | 200S | 220E | 4301930896 | 8201 | Federal | Federal | GW | TA |
| FEDERAL 24-4 | 24 | 200S | 210E | 4301930900 | 8208 | Federal | Federal | GW | TA |
| FEDERAL 10-2 | 10 | 200S | 210E | 4301931210 | 8207 | Federal | Federal | GW | TA |

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

5. LEASE DESIGNATION AND SERIAL NUMBER:

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT NAME:

8. WELL NAME and NUMBER:
SEE ATTACHED LIST

9. API NUMBER:
SEE LIST

10. FIELD AND POOL, OR WILDCAT:
GREATER CISCO

1. TYPE OF WELL OIL WELL ☐ GAS WELL ☒ OTHER _____

2. NAME OF OPERATOR:
ROSE PETROLEUM (UTAH) LLC

3. ADDRESS OF OPERATOR:
383 INVERNESS PARKWAY CITY ENGLEWOOD STATE CO ZIP 80112

PHONE NUMBER:
(720) 390-3860

4. LOCATION OF WELL

FOOTAGES AT SURFACE

COUNTY: **GRAND**

QTR/CTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:

STATE: **UTAH**

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

| TYPE OF SUBMISSION | TYPE OF ACTION | | |
|--|---|---|--|
| <input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____ | <input type="checkbox"/> ACIDIZE | <input type="checkbox"/> DEEPEN | <input type="checkbox"/> REPERFORATE CURRENT FORMATION |
| | <input type="checkbox"/> ALTER CASING | <input type="checkbox"/> FRACTURE TREAT | <input type="checkbox"/> SIDETRACK TO REPAIR WELL |
| | <input type="checkbox"/> CASING REPAIR | <input type="checkbox"/> NEW CONSTRUCTION | <input type="checkbox"/> TEMPORARILY ABANDON |
| | <input type="checkbox"/> CHANGE TO PREVIOUS PLANS | <input checked="" type="checkbox"/> OPERATOR CHANGE | <input type="checkbox"/> TUBING REPAIR |
| | <input type="checkbox"/> CHANGE TUBING | <input type="checkbox"/> PLUG AND ABANDON | <input type="checkbox"/> VENT OR FLARE |
| <input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____ | <input type="checkbox"/> CHANGE WELL NAME | <input type="checkbox"/> PLUG BACK | <input type="checkbox"/> WATER DISPOSAL |
| | <input type="checkbox"/> CHANGE WELL STATUS | <input type="checkbox"/> PRODUCTION (START/RESUME) | <input type="checkbox"/> WATER SHUT-OFF |
| | <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS | <input type="checkbox"/> RECLAMATION OF WELL SITE | <input type="checkbox"/> OTHER: _____ |
| | <input type="checkbox"/> CONVERT WELL TYPE | <input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION | |

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

CHANGE OF OPERATOR- Effective as of September 1, 2014

PREVIOUS OPERATOR:

SEP - CISCO DOME N3785
10447 SOUTH JORDAN GATEWAY
SOUTH JORDAN, UT 84095
(801) 657-5780

NEW OPERATOR:

ROSE PETROLEUM (UTAH), LLC DIV. OF OIL, GAS & MINING
383 INVERNESS PARKWAY, SUITE 330
ENGLEWOOD, CO 80112
(720) 390-3860 **N4095**

Name: ~~Dan D. White~~ **Larry R. Williams**
Title: ~~President~~ **Land Manager & Corporate Counsel**

Be advised that Rose Petroleum (Utah), LLC is responsible under the terms and conditions of the related lease for the operations conducted upon the leased lands. Bond coverage is provided by Bond No. 1001696855.

NAME (PLEASE PRINT) **John M. Blair**

TITLE **CEO**

SIGNATURE 

DATE **1-23-15**

(This space for State use only)

APPROVED

JAN 27 2015

DIV. OIL GAS & MINING

BY: **Rachel Medina**

WELLS

| API NUMBER | WELL NAME | LOCATION |
|--------------------|---------------|-------------------------------------|
| 43-019-31210-00-00 | FEDERAL 10-2 | 20S-21E, SEC 10:NESW, GRAND CO., UT |
| 43-019-31400-00-00 | FEDERAL 10-2A | 20S-21E, SEC 10:NWSE, GRAND CO., UT |
| 43-019-30485-00-00 | FEDERAL 11-1 | 20S-21E, SEC 11:NWSW, GRAND CO., UT |
| 43-019-30882-00-00 | FEDERAL 11-2 | 20S-21E, SEC 11:SESE, GRAND CO., UT |
| 43-019-30884-00-00 | FEDERAL 11-3 | 20S-21E, SEC 11:SWSW, GRAND CO., UT |
| 43-019-31437-00-00 | FEDERAL 11-6 | 20S-21E, SEC 11:SESW, GRAND CO., UT |
| 43-019-30881-00-00 | FEDERAL 12-1 | 20S-21E, SEC 12:SWSW, GRAND CO., UT |
| 43-019-30348-00-00 | FEDERAL 13-1 | 20S-21E, SEC 13:SWSW, GRAND CO., UT |
| 43-019-30673-00-00 | FEDERAL 13-2 | 20S-21E, SEC 13:SESW, GRAND CO., UT |
| 43-019-30885-00-00 | FEDERAL 13-4 | 20S-21E, SEC 13:NWSE, GRAND CO., UT |
| 43-019-30430-00-00 | FEDERAL 14-1 | 20S-21E, SEC 14:NWNW, GRAND CO., UT |
| 43-019-30436-00-00 | FEDERAL 14-1A | 20S-21E, SEC 14:NWNW, GRAND CO., UT |
| 43-019-30487-00-00 | FEDERAL 14-2 | 20S-21E, SEC 14:NENE, GRAND CO., UT |
| 43-019-30488-00-00 | FEDERAL 14-3 | 20S-21E, SEC 14:NESE, GRAND CO., UT |
| 43-019-30878-00-00 | FEDERAL 14-4 | 20S-21E, SEC 14:SWSW, GRAND CO., UT |
| 43-019-31436-00-00 | FEDERAL 14-5 | 20S-21E, SEC 14:NENW, GRAND CO., UT |
| 43-019-31421-00-00 | FEDERAL 14-6 | 20S-21E, SEC 14:SWNW, GRAND CO., UT |
| 43-019-31422-00-00 | FEDERAL 14-7 | 20S-21E, SEC 14:SWNE, GRAND CO., UT |
| 43-019-31439-00-00 | FEDERAL 14-8 | 20S-21E, SEC 14:SWSE, GRAND CO., UT |
| 43-019-30585-00-00 | FEDERAL 15-1 | 20S-21E, SEC 15:NESE, GRAND CO., UT |
| 43-019-30636-00-00 | FEDERAL 15-2 | 20S-21E, SEC 15:NWNW, GRAND CO., UT |
| 43-019-30637-00-00 | FEDERAL 15-3 | 20S-21E, SEC 15:NENE, GRAND CO., UT |
| 43-019-31441-00-00 | FEDERAL 15-5 | 20S-21E, SEC 15:NWSE, GRAND CO., UT |
| 43-019-31435-00-00 | FEDERAL 15-7 | 20S-21E, SEC 15:SESW, GRAND CO., UT |
| 43-019-31434-00-00 | FEDERAL 15-8 | 20S-21E, SEC 15:SWSE, GRAND CO., UT |
| 43-019-30898-00-00 | FEDERAL 19-1A | 20S-21E, SEC 19:SWNW, GRAND CO., UT |
| 43-019-30302-00-00 | FEDERAL 19-3 | 20S-21E, SEC 19:SWSW, GRAND CO., UT |
| 43-019-30625-00-00 | FEDERAL 22-1 | 20S-21E, SEC 22:SENE, GRAND CO., UT |

WELLS

| API NUMBER | WELL NAME | LOCATION |
|--------------------|-----------------|-------------------------------------|
| 43-019-31440-00-00 | FEDERAL 22-2 | 20S-21E, SEC 22:NWNE, GRAND CO., UT |
| 43-019-30355-00-00 | FEDERAL 23-1 | 20S-21E, SEC 23:SWNE, GRAND CO., UT |
| 43-019-30588-00-00 | FEDERAL 23-2 | 20S-21E, SEC 23:NWNW, GRAND CO., UT |
| 43-019-30588-00-00 | FEDERAL 23-3 | 20S-21E, SEC 23:SESW, GRAND CO., UT |
| 43-019-30760-00-00 | FEDERAL 23-4 | 20S-21E, SEC 23:NWSE, GRAND CO., UT |
| 43-019-31442-00-00 | FEDERAL 23-5 | 20S-21E, SEC 23:NENE, GRAND CO., UT |
| 43-019-31424-00-00 | FEDERAL 23-6 | 20S-21E, SEC 23:SESW, GRAND CO., UT |
| 43-019-31010-00-00 | FEDERAL 24-1 | 20S-21E, SEC 24:SWSW, GRAND CO., UT |
| 43-019-30530-00-00 | FEDERAL 24-2 | 20S-21E, SEC 24:NWNW, GRAND CO., UT |
| 43-019-30432-00-00 | FEDERAL 24-3 | 20S-21E, SEC 24:SWSE, GRAND CO., UT |
| 43-019-30900-00-00 | FEDERAL 24-4 | 20S-21E, SEC 24:NWNE, GRAND CO., UT |
| 43-019-31443-00-00 | FEDERAL 24-5 | 20S-21E, SEC 24:SWNW, GRAND CO., UT |
| 43-019-31423-00-00 | FEDERAL 24-6 | 20S-21E, SEC 24:NWSE, GRAND CO., UT |
| 43-019-30359-00-00 | FEDERAL 25-1 | 20S-21E, SEC 25:SWNE, GRAND CO., UT |
| 43-019-30587-00-00 | FEDERAL 25-2 | 20S-21E, SEC 25:SWSW, GRAND CO., UT |
| 43-019-30575-00-00 | FEDERAL 25-3 | 20S-21E, SEC 25:SESE, GRAND CO., UT |
| 43-019-30743-00-00 | FEDERAL 25-4 | 20S-21E, SEC 25:NENW, GRAND CO., UT |
| 43-019-31444-00-00 | FEDERAL 25-5 | 20S-21E, SEC 25:SESW, GRAND CO., UT |
| 43-019-30429-00-00 | FEDERAL 30-1 | 20S-22E, SEC 30:SWNW, GRAND CO., UT |
| 43-019-30308-00-00 | FEDERAL 31-1A | 20S-22E, SEC 31:NENW, GRAND CO., UT |
| 43-019-15107-00-00 | UNION GOVT II-1 | 20S-21E, SEC 24:NWSW, GRAND CO., UT |

Effective Date: 7/1/2016

| | |
|---|--|
| FORMER OPERATOR: | NEW OPERATOR: |
| Rose Petroleum (Utah), LLC N4095 383 Inverness Parkway, Suite 330 Englewood, CO 80112 | Rockies Standard Oil Company, LLC N3735 1411 East 840 North Orem, UT 84097 |
| CA Number(s): | Unit(s): Gunnison Valley |

WELL INFORMATION:

| Well Name | Sec | TWN | RNG | API | Entity | Mineral | Surface | Type | Status |
|-------------------|-----|-----|-----|-----|--------|---------|---------|------|--------|
| See Attached List | | | | | | | | | |

OPERATOR CHANGES DOCUMENTATION:

1. Sundry or legal documentation was received from the **FORMER** operator on: 7/27/2016
2. Sundry or legal documentation was received from the **NEW** operator on: 7/27/2016
3. New operator Division of Corporations Business Number: 7698560-0161

REVIEW:

1. Surface Agreement Sundry from **NEW** operator on Fee Surface wells received on: N/A
2. Receipt of Acceptance of Drilling Procedures for APD on: N/A
3. Reports current for Production/Disposition & Sundries: 9/14/2016
4. OPS/SI/TA well(s) reviewed for full cost bonding: 8/24/2016
5. UIC5 on all disposal/injection/storage well(s) approved on: N/A
6. Surface Facility(s) included in operator change: N/A
7. Inspections of PA state/fee well sites complete on (only upon operators request): N/A

NEW OPERATOR BOND VERIFICATION:

1. Federal well(s) covered by Bond Number: 1001696855
2. Indian well(s) covered by Bond Number: 1001696855
3. State/fee well(s) covered by Bond Number(s): 1001696855a,b,c,d,e

DATA ENTRY:

1. Well(s) update in the **OGIS** on: 9/14/2016
2. Entity Number(s) updated in **OGIS** on: 9/14/2016
3. Unit(s) operator number update in **OGIS** on: 9/14/2016
4. Surface Facilities update in **OGIS** on: N/A
5. State/Fee well(s) attached to bond(s) in **RBDMS** on: 9/14/2016
6. Surface Facilities update in **RBDMS** on: N/A

COMMENTS:

From Rose Petroleum (Utah), LLC
To Rockies Standard Oil Company, LLC
Effective July 1, 2016

| Well Name | Sec | TWN | RNG | API Numnber | Entity | Mineral | Surface | Type | Status | Unit |
|---------------------|-----|------|------|-------------|--------|---------|---------|------|--------|-----------------|
| THUNDERBIRD 1 | 32 | 200S | 240E | 4301930058 | 10339 | State | State | OW | P | |
| CPSKY PHLPS FEE 8-1 | 8 | 200S | 240E | 4301915100 | 2800 | Fee | Fee | GW | S | |
| UNION GOVT II-1 | 24 | 200S | 210E | 4301915107 | 680 | Federal | State | GW | S | |
| FEDERAL 19-3 | 19 | 200S | 220E | 4301930302 | 8201 | Federal | Federal | GW | S | |
| FEDERAL 31-1A | 31 | 200S | 220E | 4301930308 | 8204 | Federal | Federal | GW | S | |
| STATE 32-1 | 32 | 200S | 220E | 4301930347 | 8206 | State | State | GW | S | |
| FEDERAL 13-1 | 13 | 200S | 210E | 4301930348 | 8146 | Federal | Federal | GW | S | |
| FEDERAL 23-1 | 23 | 200S | 210E | 4301930355 | 11393 | Federal | Federal | GW | S | |
| FEDERAL 25-1 | 25 | 200S | 210E | 4301930359 | 11394 | Federal | State | GW | S | |
| FEDERAL 30-1 | 30 | 200S | 220E | 4301930429 | 8203 | Federal | Federal | GW | S | |
| FEDERAL 14-1 | 14 | 200S | 210E | 4301930430 | 8169 | Federal | Federal | GW | S | |
| FEDERAL 24-3 | 24 | 200S | 210E | 4301930432 | 11395 | Federal | Federal | GW | S | |
| FEDERAL 14-1A | 14 | 200S | 210E | 4301930436 | 8150 | Federal | Federal | GW | S | |
| FEDERAL 11-1 | 11 | 200S | 210E | 4301930485 | 8142 | Federal | Federal | GW | S | |
| FEDERAL 14-2 | 14 | 200S | 210E | 4301930487 | 8151 | Federal | Federal | GW | S | |
| FEDERAL 14-3 | 14 | 200S | 210E | 4301930488 | 8152 | Federal | Federal | GW | S | |
| FEDERAL 24-2 | 24 | 200S | 210E | 4301930530 | 8159 | Federal | Federal | GW | S | |
| FEDERAL 25-3 | 25 | 200S | 210E | 4301930575 | 8170 | Federal | Federal | GW | S | |
| FEDERAL 15-1 | 15 | 200S | 210E | 4301930585 | 11391 | Federal | Federal | GW | S | |
| FEDERAL 23-2 | 23 | 200S | 210E | 4301930586 | 8140 | Federal | Federal | GW | S | |
| FEDERAL 25-2 | 25 | 200S | 210E | 4301930587 | 11392 | Federal | Federal | OW | S | |
| FEDERAL 23-3 | 23 | 200S | 210E | 4301930588 | 8157 | Federal | Federal | GW | S | |
| FEDERAL 22-1 | 22 | 200S | 210E | 4301930625 | 8156 | Federal | Federal | GW | S | |
| FEDERAL 15-2 | 15 | 200S | 210E | 4301930636 | 8154 | Federal | Federal | GW | S | |
| FEDERAL 15-3 | 15 | 200S | 210E | 4301930637 | 8155 | Federal | Federal | GW | S | |
| FEDERAL 13-2 | 13 | 200S | 210E | 4301930673 | 8147 | Federal | Federal | GW | S | |
| FEDERAL 25-4 | 25 | 200S | 210E | 4301930743 | 8181 | Federal | State | GW | S | |
| FEDERAL 23-4 | 23 | 200S | 210E | 4301930760 | 8158 | Federal | Federal | GW | S | |
| FEDERAL 14-4 | 14 | 200S | 210E | 4301930878 | 8153 | Federal | Federal | GW | S | |
| FEDERAL 12-1 | 12 | 200S | 210E | 4301930881 | 8145 | Federal | Federal | GW | S | |
| FEDERAL 11-2 | 11 | 200S | 210E | 4301930882 | 8143 | Federal | Federal | GW | S | |
| FEDERAL 11-3 | 11 | 200S | 210E | 4301930884 | 8144 | Federal | Federal | GW | S | |
| FEDERAL 13-4 | 13 | 200S | 210E | 4301930885 | 8149 | Federal | Federal | GW | S | |
| FEDERAL 19-1A | 19 | 200S | 220E | 4301930896 | 8201 | Federal | Federal | GW | S | |
| FEDERAL 24-4 | 24 | 200S | 210E | 4301930900 | 8208 | Federal | Federal | GW | S | |
| FEDERAL 24-1 | 24 | 200S | 210E | 4301931010 | 11189 | Federal | Federal | GW | S | |
| FEDERAL 10-2 | 10 | 200S | 210E | 4301931210 | 8207 | Federal | Federal | GW | S | |
| FEDERAL 10-2A | 10 | 200S | 210E | 4301931400 | 14043 | Federal | Federal | GW | S | |
| FEDERAL 14-6 | 14 | 200S | 210E | 4301931421 | 14803 | Federal | Federal | GW | S | |
| FEDERAL 14-7 | 14 | 200S | 210E | 4301931422 | 14780 | Federal | Federal | GW | S | |
| FEDERAL 24-6 | 24 | 200S | 210E | 4301931423 | 14779 | Federal | Federal | GW | S | |
| FEDERAL 23-6 | 23 | 200S | 210E | 4301931424 | 14848 | Federal | Federal | GW | S | |
| FEDERAL 15-8 | 15 | 200S | 210E | 4301931434 | 15006 | Federal | Federal | GW | S | |
| FEDERAL 15-7 | 15 | 200S | 210E | 4301931435 | 14868 | Federal | Federal | GW | S | |
| FEDERAL 14-5 | 14 | 200S | 210E | 4301931436 | 14805 | Federal | Federal | GW | S | |
| FEDERAL 11-6 | 11 | 200S | 210E | 4301931437 | 14869 | Federal | Federal | GW | S | |
| FEDERAL 14-8 | 14 | 200S | 210E | 4301931439 | 14804 | Federal | Federal | GW | S | |
| FEDERAL 22-2 | 22 | 200S | 210E | 4301931440 | 14847 | Federal | Federal | GW | S | |
| FEDERAL 15-5 | 15 | 200S | 210E | 4301931441 | 14952 | Federal | Federal | GW | S | |
| FEDERAL 23-5 | 23 | 200S | 210E | 4301931442 | 15007 | Federal | Federal | GW | S | |
| FEDERAL 24-5 | 24 | 200S | 210E | 4301931443 | 14960 | Federal | Federal | GW | S | |
| FEDERAL 25-5 | 25 | 200S | 210E | 4301931444 | 14849 | Federal | Federal | GW | S | |
| STATE 16-42 | 16 | 220S | 170E | 4301931605 | 17278 | State | State | GW | S | GUNNISON VALLEY |
| State 1-34 | 34 | 210S | 230E | 4301950067 | 19876 | State | State | OW | S | |

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

| | | |
|--|--|--|
| 1. TYPE OF WELL OIL WELL <input checked="" type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____ | | 5. LEASE DESIGNATION AND SERIAL NUMBER: SEE ATTACHED LIST |
| 2. NAME OF OPERATOR: Rockies Standard Oil Company, LLC | | 6. IF INDIAN, ALLOTTEE OR TRIBE NAME: |
| 3. ADDRESS OF OPERATOR: 1411 E 840 N CITY Orem STATE UT ZIP 84097 | | 7. UNIT or CA AGREEMENT NAME: |
| PHONE NUMBER: (801) 224-4771 | | 8. WELL NAME and NUMBER: SEE ATTACHED LIST |
| 4. LOCATION OF WELL FOOTAGES AT SURFACE: SEE ATTACHED LIST | | 9. API NUMBER: SEE LIST |
| QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: | | 10. FIELD AND POOL, OR WILDCAT: Greater Cisco |
| COUNTY: Grand County | | STATE: UTAH |

| 11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA | | | |
|--|---|---|--|
| TYPE OF SUBMISSION | TYPE OF ACTION | | |
| <input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____ | <input type="checkbox"/> ACIDIZE | <input type="checkbox"/> DEEPEN | <input type="checkbox"/> REPERFORATE CURRENT FORMATION |
| | <input type="checkbox"/> ALTER CASING | <input type="checkbox"/> FRACTURE TREAT | <input type="checkbox"/> SIDETRACK TO REPAIR WELL |
| | <input type="checkbox"/> CASING REPAIR | <input type="checkbox"/> NEW CONSTRUCTION | <input type="checkbox"/> TEMPORARILY ABANDON |
| | <input type="checkbox"/> CHANGE TO PREVIOUS PLANS | <input checked="" type="checkbox"/> OPERATOR CHANGE | <input type="checkbox"/> TUBING REPAIR |
| | <input type="checkbox"/> CHANGE TUBING | <input type="checkbox"/> PLUG AND ABANDON | <input type="checkbox"/> VENT OR FLARE |
| <input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____ | <input type="checkbox"/> CHANGE WELL NAME | <input type="checkbox"/> PLUG BACK | <input type="checkbox"/> WATER DISPOSAL |
| | <input type="checkbox"/> CHANGE WELL STATUS | <input type="checkbox"/> PRODUCTION (START/RESUME) | <input type="checkbox"/> WATER SHUT-OFF |
| | <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS | <input type="checkbox"/> RECLAMATION OF WELL SITE | <input type="checkbox"/> OTHER: _____ |
| | <input type="checkbox"/> CONVERT WELL TYPE | <input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION | |

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

CHANGE OF OPERATOR

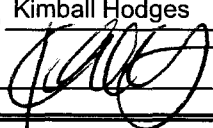
PREVIOUS OPERATOR:

Rose Petroleum (Utah), LLC
383 Inverness Parkway, Ste 330
Englewood, CO 80112
(303) 814-0388

NEW OPERATOR:

Rockies Standard Oil Company, LLC
1411 East 840 North
Orem, UT 84097
(801) 224-4771

Be advised that Rockies Standard Oil Company, LLC is responsible under the terms and conditions of the related leases for the operations conducted upon the leased lands. Bond coverage is covered by Bond No. 1001696855.A

| | |
|---|---------------|
| NAME (PLEASE PRINT) Kimball Hodges | TITLE Manager |
| SIGNATURE  | DATE 7/20/16 |

(This space for State use only)

APPROVED

RECEIVED

JUL 27 2016

SEP 14 2016

(See Instructions on Reverse Side)

DIV. OIL GAS & MINING

BY: Rachel Medina

WELLS

| API NUMBER | WELL NAME | LOCATION |
|--------------------|---------------|-------------------------------------|
| 43-019-31210-00-00 | FEDERAL 10-2 | 20S-21E, SEC 10:NESW, GRAND CO., UT |
| 43-019-31400-00-00 | FEDERAL 10-2A | 20S-21E, SEC 10:NWSE, GRAND CO., UT |
| 43-019-30485-00-00 | FEDERAL 11-1 | 20S-21E, SEC 11:NWSW, GRAND CO., UT |
| 43-019-30882-00-00 | FEDERAL 11-2 | 20S-21E, SEC 11:SESE, GRAND CO., UT |
| 43-019-30884-00-00 | FEDERAL 11-3 | 20S-21E, SEC 11:SWSW, GRAND CO., UT |
| 43-019-31437-00-00 | FEDERAL 11-6 | 20S-21E, SEC 11:SESW, GRAND CO., UT |
| 43-019-30881-00-00 | FEDERAL 12-1 | 20S-21E, SEC 12:SWSW, GRAND CO., UT |
| 43-019-30348-00-00 | FEDERAL 13-1 | 20S-21E, SEC 13:SWSW, GRAND CO., UT |
| 43-019-30673-00-00 | FEDERAL 13-2 | 20S-21E, SEC 13:SESW, GRAND CO., UT |
| 43-019-30885-00-00 | FEDERAL 13-4 | 20S-21E, SEC 13:NWSE, GRAND CO., UT |
| 43-019-30430-00-00 | FEDERAL 14-1 | 20S-21E, SEC 14:NWNW, GRAND CO., UT |
| 43-019-30436-00-00 | FEDERAL 14-1A | 20S-21E, SEC 14:NWNW, GRAND CO., UT |
| 43-019-30487-00-00 | FEDERAL 14-2 | 20S-21E, SEC 14:NENE, GRAND CO., UT |
| 43-019-30488-00-00 | FEDERAL 14-3 | 20S-21E, SEC 14:NESE, GRAND CO., UT |
| 43-019-30878-00-00 | FEDERAL 14-4 | 20S-21E, SEC 14:SWSW, GRAND CO., UT |
| 43-019-31436-00-00 | FEDERAL 14-5 | 20S-21E, SEC 14:NENW, GRAND CO., UT |
| 43-019-31421-00-00 | FEDERAL 14-6 | 20S-21E, SEC 14:SWNW, GRAND CO., UT |
| 43-019-31422-00-00 | FEDERAL 14-7 | 20S-21E, SEC 14:SWNE, GRAND CO., UT |
| 43-019-31439-00-00 | FEDERAL 14-8 | 20S-21E, SEC 14:SWSE, GRAND CO., UT |
| 43-019-30585-00-00 | FEDERAL 15-1 | 20S-21E, SEC 15:NESE, GRAND CO., UT |
| 43-019-30636-00-00 | FEDERAL 15-2 | 20S-21E, SEC 15:NWNW, GRAND CO., UT |
| 43-019-30637-00-00 | FEDERAL 15-3 | 20S-21E, SEC 15:NENE, GRAND CO., UT |
| 43-019-31441-00-00 | FEDERAL 15-5 | 20S-21E, SEC 15:NWSE, GRAND CO., UT |
| 43-019-31435-00-00 | FEDERAL 15-7 | 20S-21E, SEC 15:SESW, GRAND CO., UT |
| 43-019-31434-00-00 | FEDERAL 15-8 | 20S-21E, SEC 15:SWSE, GRAND CO., UT |
| 43-019-30896-00-00 | FEDERAL 19-1A | 20S-21E, SEC 19:SWNW, GRAND CO., UT |
| 43-019-30302-00-00 | FEDERAL 19-3 | 20S-21E, SEC 19:SWSW, GRAND CO., UT |
| 43-019-30625-00-00 | FEDERAL 22-1 | 20S-21E, SEC 22:SENE, GRAND CO., UT |

WELLS

| API NUMBER | WELL NAME | LOCATION |
|--------------------|-----------------|-------------------------------------|
| 43-019-31440-00-00 | FEDERAL 22-2 | 20S-21E, SEC 22:NWNE, GRAND CO., UT |
| 43-019-30355-00-00 | FEDERAL 23-1 | 20S-21E, SEC 23:SWNE, GRAND CO., UT |
| 43-019-30586-00-00 | FEDERAL 23-2 | 20S-21E, SEC 23:NWNW, GRAND CO., UT |
| 43-019-30588-00-00 | FEDERAL 23-3 | 20S-21E, SEC 23:SESW, GRAND CO., UT |
| 43-019-30760-00-00 | FEDERAL 23-4 | 20S-21E, SEC 23:NWSE, GRAND CO., UT |
| 43-019-31442-00-00 | FEDERAL 23-5 | 20S-21E, SEC 23:NENE, GRAND CO., UT |
| 43-019-31424-00-00 | FEDERAL 23-6 | 20S-21E, SEC 23:SESW, GRAND CO., UT |
| 43-019-31010-00-00 | FEDERAL 24-1 | 20S-21E, SEC 24:SWSW, GRAND CO., UT |
| 43-019-30530-00-00 | FEDERAL 24-2 | 20S-21E, SEC 24:NWNW, GRAND CO., UT |
| 43-019-30432-00-00 | FEDERAL 24-3 | 20S-21E, SEC 24:SWSE, GRAND CO., UT |
| 43-019-30900-00-00 | FEDERAL 24-4 | 20S-21E, SEC 24:NWNE, GRAND CO., UT |
| 43-019-31443-00-00 | FEDERAL 24-5 | 20S-21E, SEC 24:SWNW, GRAND CO., UT |
| 43-019-31423-00-00 | FEDERAL 24-6 | 20S-21E, SEC 24:NWSE, GRAND CO., UT |
| 43-019-30359-00-00 | FEDERAL 25-1 | 20S-21E, SEC 25:SWNE, GRAND CO., UT |
| 43-019-30587-00-00 | FEDERAL 25-2 | 20S-21E, SEC 25:SWSW, GRAND CO., UT |
| 43-019-30575-00-00 | FEDERAL 25-3 | 20S-21E, SEC 25:SESE, GRAND CO., UT |
| 43-019-30743-00-00 | FEDERAL 25-4 | 20S-21E, SEC 25:NENW, GRAND CO., UT |
| 43-019-31444-00-00 | FEDERAL 25-5 | 20S-21E, SEC 25:SESW, GRAND CO., UT |
| 43-019-30429-00-00 | FEDERAL 30-1 | 20S-22E, SEC 30:SWNW, GRAND CO., UT |
| 43-019-30308-00-00 | FEDERAL 31-1A | 20S-22E, SEC 31:NENW, GRAND CO., UT |
| 43-019-15107-00-00 | UNION GOVT II-1 | 20S-21E, SEC 24:NWSW, GRAND CO., UT |

WELLS

| API NUMBER | WELL NAME | LOCATION |
|--------------------|---------------------|-------------------------------------|
| 43-019-15100-00-00 | CPSKY PHLPS FEE 8-1 | 20S-24E, SEC 08:NWNW, GRAND CO., UT |
| 43-019-30347-00-00 | STATE 32-1 | 20S-22E, SEC 32:SEnw, GRAND CO., UT |
| 43-019-30058-00-00 | THUNDERBIRD 1 | 20S-24E, SEC 32:NWNW, GRAND CO., UT |

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

5. LEASE DESIGNATION AND SERIAL NUMBER:

ML 48144

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT NAME:

Gunnison Valley Unit

8. WELL NAME and NUMBER:

State 16-42

9. API NUMBER:

4301931605

10. FIELD AND POOL, OR WILDCAT:

Wildcat

1. TYPE OF WELL

OIL WELL ☐

GAS WELL ☒

OTHER

2. NAME OF OPERATOR:

Rockies Standard Oil Company, LLC

3. ADDRESS OF OPERATOR:

1411 E 840 N

CITY Orem

STATE UT

ZIP 84097

PHONE NUMBER:

(801) 224-4771

4. LOCATION OF WELL

FOOTAGES AT SURFACE: 2108' FNL, 0559' FEL

COUNTY: Grand County

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SENE 16 22S 17E S

STATE:

UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

TYPE OF ACTION

☐ NOTICE OF INTENT
(Submit in Duplicate)

Approximate date work will start:

☒ SUBSEQUENT REPORT
(Submit Original Form Only)

Date of work completion:

☐ ACIDIZE

☐ ALTER CASING

☐ CASING REPAIR

☐ CHANGE TO PREVIOUS PLANS

☐ CHANGE TUBING

☐ CHANGE WELL NAME

☐ CHANGE WELL STATUS

☐ COMMINGLE PRODUCING FORMATIONS

☐ CONVERT WELL TYPE

☐ DEEPEN

☐ FRACTURE TREAT

☐ NEW CONSTRUCTION

☒ OPERATOR CHANGE

☐ PLUG AND ABANDON

☐ PLUG BACK

☐ PRODUCTION (START/RESUME)

☐ RECLAMATION OF WELL SITE

☐ RECOMPLETE - DIFFERENT FORMATION

☐ REPERFORATE CURRENT FORMATION

☐ SIDETRACK TO REPAIR WELL

☐ TEMPORARILY ABANDON

☐ TUBING REPAIR

☐ VENT OR FLARE

☐ WATER DISPOSAL

☐ WATER SHUT-OFF

☐ OTHER:

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

CHANGE OF OPERATOR

PREVIOUS OPERATOR:

Rose Petroleum (Utah), LLC
383 Inverness Parkway, Ste 330
Englewood, CO 80112
(303) 814-0388

NEW OPERATOR:

Rockies Standard Oil Company, LLC
1411 East 840 North
Orem, UT 84097
(801) 224-4771

Be advised that Rockies Standard Oil Company, LLC is responsible under the terms and conditions of the related lease for the operations conducted upon the leased lands. Bond coverage is covered by Bond No. 1001696855.A

NAME (PLEASE PRINT) Kimball Hodges

TITLE Manager

SIGNATURE

DATE

(This space for State use only)

APPROVED

SEP 14 2016

DIV. OIL, GAS & MINING

(See Instructions on Reverse Side)

3% Rachel Medina

RECEIVED

JUL 27 2016

DIV. OIL, GAS & MINING

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

| | | |
|--|--|---|
| 1. TYPE OF WELL OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER _____ | | 5. LEASE DESIGNATION AND SERIAL NUMBER: ML 49496 |
| 2. NAME OF OPERATOR: Rockies Standard Oil Company, LLC | | 6. IF INDIAN, ALLOTTEE OR TRIBE NAME: |
| 3. ADDRESS OF OPERATOR: 1411 E 840 N CITY Orem STATE UT ZIP 84097 | | 7. UNIT or CA AGREEMENT NAME: |
| 4. LOCATION OF WELL FOOTAGES AT SURFACE: 0521' FNL, 0712' FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENE 34 21S 23E S | | 8. WELL NAME and NUMBER: State 1-34 |
| PHONE NUMBER: (801) 224-4771 | | 9. API NUMBER: 4301950067 |
| COUNTY: Grand County | | 10. FIELD AND POOL, OR WILDCAT: Greater Cisco |
| STATE: UTAH | | |

| 11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA | | | |
|---|---|---|--|
| TYPE OF SUBMISSION | TYPE OF ACTION | | |
| <input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____ | <input type="checkbox"/> ACIDIZE | <input type="checkbox"/> DEEPEN | <input type="checkbox"/> REPERFORATE CURRENT FORMATION |
| | <input type="checkbox"/> ALTER CASING | <input type="checkbox"/> FRACTURE TREAT | <input type="checkbox"/> SIDETRACK TO REPAIR WELL |
| | <input type="checkbox"/> CASING REPAIR | <input type="checkbox"/> NEW CONSTRUCTION | <input type="checkbox"/> TEMPORARILY ABANDON |
| | <input type="checkbox"/> CHANGE TO PREVIOUS PLANS | <input checked="" type="checkbox"/> OPERATOR CHANGE | <input type="checkbox"/> TUBING REPAIR |
| | <input type="checkbox"/> CHANGE TUBING | <input type="checkbox"/> PLUG AND ABANDON | <input type="checkbox"/> VENT OR FLARE |
| <input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____ | <input type="checkbox"/> CHANGE WELL NAME | <input type="checkbox"/> PLUG BACK | <input type="checkbox"/> WATER DISPOSAL |
| | <input type="checkbox"/> CHANGE WELL STATUS | <input type="checkbox"/> PRODUCTION (START/RESUME) | <input type="checkbox"/> WATER SHUT-OFF |
| | <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS | <input type="checkbox"/> RECLAMATION OF WELL SITE | <input type="checkbox"/> OTHER: _____ |
| | <input type="checkbox"/> CONVERT WELL TYPE | <input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION | |

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

CHANGE OF OPERATOR


PREVIOUS OPERATOR:

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383 Inverness Parkway, Ste 330
Englewood, CO 80112
(303) 814-0388

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| | |
|---|---------------|
| NAME (PLEASE PRINT) Kimball Hodges | TITLE Manager |
| SIGNATURE  | DATE 7/20/16 |

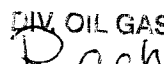
(This space for State use only)

APPROVED

SEP 14 2016

(See Instructions on Reverse Side)

(5/2000)

DIV OIL GAS & MINING
BY: 

RECEIVED

JUL 27 2016

DIV. OF OIL, GAS & MINING

ASSIGNMENT AND BILL OF SALE OF BONDS

THIS ASSIGNMENT AND BILL OF SALE (this "Assignment") executed by **ROSE PETROLEUM (UTAH) LLC**, a Delaware limited liability company (hereinafter called "Assignor"), with an office at 383 Inverness Parkway, Suite 330, Englewood, CO 80112, to **ROCKIES STANDARD OIL COMPANY, LLC**, a Delaware limited liability company (hereinafter called "Assignee"), with an office at 1411 East 840 North, Orem, Utah, 84097, dated effective April 1, 2016 (said day being hereinafter called the "Effective Time").

All capitalized terms not defined herein shall have the meanings ascribed to them in that certain Purchase and Sale Agreement dated March 13, 2014, executed by and between Assignor and Assignee and/or that certain Side Agreement to Purchase and Sale Agreement between Assignor and Assignee dated effective April 1, 2016.

ARTICLE I **Assignment of Bonds**

Assignor, for Ten and No/100 Dollars (\$10.00) and other good and valuable consideration in hand paid by Assignee, the receipt and sufficiency of which consideration are hereby acknowledged and confessed, by these presents does hereby ASSIGN, TRANSFER, SET OVER, RELEASE and DELIVER unto Assignee ALL (100.0%) of Assignor's right, title, and interest in and to the following described bonds and/or bonding instruments:

- (a) State of Utah School and Institutional Trust Lands Administration Bond # 5605 in the amount of \$15,000.00;
- (b) Utah Division of Oil Gas and Mining statewide blanket bond #1001696855 in the amount of \$120,000.00; and
- (c) United States Department of the Interior Bureau of Land Management bond #UTB000645 in the amount of \$280,000.00;

as well as, without limitation, any and all proceeds and/or refunds of the same. All of the bonds and/or bonding instruments (a) through (c) above are hereinafter collectively called the "Bonds".

TO HAVE AND TO HOLD the Bonds unto Assignee, its respective successors and assigns forever, subject, however, to the matters set forth herein. The Bonds are assigned by Assignor and accepted by Assignee expressly subject to the terms and conditions of that Side Agreement to Purchase and Sale Agreement dated effective April 1, 2016 executed by and between Assignor and Assignee.

ARTICLE III
Miscellaneous

Section 3.1 Further Assurances. Assignor covenants and agrees to execute and deliver to Assignee all such other and additional instruments and other documents and will do all such other acts and things as may be necessary more fully to assure to Assignee or its successors or assigns, all of the respective rights and interests herein and hereby assigned or intended to be assigned, including without limitation, executing separate assignments of individual bonds or bonding instruments, which are included in the Bonds and which are necessary to facilitate the recognition of Assignee's ownership of the Bonds.

Section 3.2 Successors and Assigns. All of the provisions hereof shall inure to the benefit of and be binding upon the respective successors and assigns of Assignor and Assignee. All references herein to either Assignor or Assignee shall include their respective successors and assigns.

Section 3.3 Counterparts. This Assignment is being executed in several original counterparts, no fewer than four (4), all of which are identical, and each such counterpart hereof shall be deemed to be an original instrument, but all such counterparts shall constitute but one and the same assignment.

IN WITNESS WHEREOF, the parties hereto have caused this Assignment to be executed on the dates of their respective acknowledgments set forth below, to be effective, however, as of the Effective Time.

Assignor

ROSE Petroleum (UTAH) LLC

By: _____

Ty Watson, its President

Assignee

ROCKIES STANDARD OIL COMPANY, LLC

By: _____

Name: Kimball Hodges

Title: Manager of Petro Fuego, LLC; Petro Fuego, LLC as Manager of Rockies Standard Oil Company, LLC.



Rachel Medina <rachelmedina@utah.gov>

Bonding

1 message

Rachel Medina <rachelmedina@utah.gov>
To: Kimball Hodges <khodges@rockiesstandard.com>

Wed, Aug 24, 2016 at 3:37 PM

Hi Kimball,

We will be able to move forward with moving the statewide blanket bond from Rose to individual bonds with Rockies. Below is the break down of what Dustin is going to require for each well.

CPSKY PHLPS FEE 8-1 \$15,000

Thunderbird 1 \$1,500

State 32-1 \$15,000.00

State 16-42 \$30,000

State 1-34 \$30,000.00-Once you have final inspection on this well you can submit a letter requesting a bond release on the funds.

Bring a total of \$91,500.00. What I need from Rockies now is a Form 4B.2 on each well. The bond number is going to be the check number (1001696885), then if you could add an alpha character to the end (e.g 1001696885a, 1001696885b) this help to keep the records clear in our system.

Rockies currently has two cash bonds with the Division, but as a precaution if you could also submit a current IRS W-9 form for the bank that holds our bonds that would be greatly appreciated.

Also, to have a clear account, if you would submit a letter with the above forms stating that you're using the blanket bond as individual bond. Follow that up with a request to release the remaining \$28,500 that per the submitted agreement needs to be sent to Rockies Standard and the address we should mail the check to.

To answer Brad's question the two years audited financials would need to be reviewed by an independent certified public accountant.

If you have any question please let me know. In regards to this matter...because I am handling multiple task that take me away from my desk recently, if you try to call or email me and I'm not available you may call my cell phone [REDACTED]

Thanks!

—
Rachel Medina
Division of Oil, Gas & Mining
Bonding Technician
801-538-5260



1411 East 840 North, Orem, Utah 84097

RECEIVED
AUG 31 2016
DIV. OF OIL, GAS & MINING

August 30, 2016

To: Utah Department of Oil, Gas, and Mining – Department of Natural Resources
ATTN: Rachel Medina
1594 W North Temple, Suite 1210
Salt Lake City, UT 84116

RE: Moving Rose Blanket Bond to Rockies Individual Bonds 1001696885a, 1001696885b, 1001696885c, 1001696885d, and 1001696885e and Releasing Balance to Rockies

Enclosed is a completed Form 4B.2 for each of five wells recently acquired from Rose Petroleum (Utah), LLC (“Rose”) for which Rockies Standard Oil Company, LLC (“RSOC”) will assume operations. Rose assigned its blanket DOGM bond (1001696855) to Rockies, but Rockies requests that Rose’s statewide bond instead be used to bond these wells on an individual basis rather than blanket.

Rockies further requests that the balance of the Rose blanket bond (such balance in the amount of \$28,500.00) be released to Rockies at:

Rockies Standard Oil Company, LLC
Attn: Operations
1411 East 840 North
Orem, UT 84097

Your help and prompt attention to this matter is greatly appreciated.

Sincerely,

Kimball Hodges
Manager of PetroFuego, LLC
Manager for Rockies Standard Oil Company, LLC